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A Limited Liability Partnership

2 Including Professional Corporations

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8 [Proposed] Attorneys for

9 Debtors and Debtors in Possession

10 UNITED STATES BANKRUPTCY COURT

11 NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

12 In re

Case No. 20-30748

13 ☐ SIZZLER USA ACQUISITION, INC., a
Delaware corporation

14 ☐ SIZZLER USA HOLDINGS, INC., a
Delaware corporation

15 ☐ SIZZLER USA FINANCE, INC., a
Delaware corporation.

16 ☐ WORLDWIDE RESTAURANT
CONCEPTS, INC., a Delaware
17 corporation

18 ☐ SIZZLER USA, INC., a Delaware
corporation

19 ☐ SIZZLER USA FRANCHISE, INC., a
Delaware corporation

20 ☐ SIZZLER USA REAL PROPERTY, INC.,
a Delaware corporation

21 ☐ SIZZLER USA RESTAURANTS, INC., a
Delaware corporation

22 ☒ ALL DEBTORS,

Debtors and

23 Debtors in Possession.

Joint Administration Requested with
Case Nos. 20-30746, 20-51400, 20-51401,
20-51402, 20-51403, 20-51404, and 20-51405

Chapter 11 Proceeding

**DECLARATION OF CHRISTOPHER
PERKINS IN SUPPORT OF FIRST DAY
MOTIONS**

Filed Concurrently with Debtors' Emergency Motions for
Orders: (1) Approving Stipulation Regarding Use of Cash
Collateral, Provision of Adequate Protection, and Debtor in
Possession Financing and Memorandum of Points and
Authorities; (2) Authorizing Them to Maintain Their Existing
Bank Accounts and Approving Continued Use of Their Cash
Management System; (3) Authorizing Debtors to Honor
Prepetition Obligations to Employees; (4) Determining
Adequate Assurance of Payment for Utility Services; (5)
Authorizing Debtors to Honor Certain Prepetition Obligations
to Customers; (6) (1) Approving Debtors' Rejection of Certain
Unexpired Executory Contracts and Leases; (2) Establishing
Rejection Procedures; and (3) Setting the Bar Date for Claims
Arising from Rejection; and (7) Order Limiting Service of
Notice of Certain Matters.

Judge: Hon. M. Elaine Hammond

Date: September 22, 2020

Time: 9:30 a.m.

Crtrm: Tele/Videoconference Only

1 I, Christopher Perkins, declare as follows:

2 1. I am the President and Chief Services Officer of Sizzler USA Acquisition, Inc.
3 (“SUSAA”), Sizzler USA Holdings, Inc. (“SUSAH”), Sizzler USA Finance, Inc. (“SUSAFI”),
4 Worldwide Restaurant Concepts (“WRC”), Sizzler USA Inc. (“SUSA”), Sizzler USA Franchise,
5 Inc. (“SUSAFR”), Sizzler USA Real Property, Inc. (“SUSARP”), and Sizzler USA Restaurants,
6 Inc. (“SUSAR,” and together with SUSAA, SUSAH, SUSAFI, SUSAFR, SUSARP, collectively,
7 the “Debtors”), debtors and debtors in possession in the above captioned chapter 11 proceeding. I
8 became President of the Debtors in January 2020 and have been serving as Chief Services Officer
9 since May 2019. Previously, I served as Director and General Counsel of the Debtors from
10 February to May 2019.

11 2. I am the officer with primary responsibility for the business and financial affairs of
12 the Debtors. I am familiar with the Debtors’ operations and books and records, which I personally
13 know are made and maintained in the ordinary course of business. On this basis, I have personal
14 knowledge of the facts stated herein or knowledge based on the business records that are made and
15 maintained in the Debtors’ ordinary course of business, the information supplied to me by (a) my
16 colleagues who report directly to me or (b) the Debtors’ general bankruptcy counsel and other
17 legal and professional advisors.

18 3. I submit this Declaration in accordance with the Court’s First Day Motion
19 Guidelines for chapter 11 cases and Rule 9013-1(d) of the Bankruptcy Local Rules for the
20 Bankruptcy Court for the Northern District of California (the “B.L.R.”) to provide the Court and
21 all parties in interest with an overview of the Debtors, their business, and the events precipitating
22 the commencement of the Debtors’ respective chapter 11 cases (the “Case”). This Declaration
23 also supports the Debtors’ voluntary petitions and First Day Pleadings (defined herein). If asked
24 to do so, I could and would testify competently under oath to the following matters.

25 4. On the date of this Declaration (the “Petition Date”), I caused each of the Debtors
26 to file a voluntary petition for relief under chapter 11 of the United States Code (the “Bankruptcy
27 Code”) in the United States Bankruptcy Court for the Northern District of California, San Jose
28 Division (the “Court”). The Debtors commenced their Case to effectuate a comprehensive

1 restructuring of their capital structure and operations under Subchapter V of the Bankruptcy Code.
2 The Debtors continue to operate their business and manage their properties as debtors and debtors
3 in possession under the Bankruptcy Code.

4 5. To effectuate their restructuring, the Debtors are requesting various forms of relief
5 pursuant to certain “first day” motions and applications (collectively, the “First Day Pleadings”)
6 filed concurrently with this Declaration. I am advised and believe thereon that the relief requested
7 in the First Day Pleadings is intended to minimize the potential adverse effects that
8 commencement of the Case may have on the Debtors’ employees and their business operations.
9 By the First Day Pleadings, the Debtors request, among other things, that the Court:

10 a. approve the Debtors’ entry into a debtor in possession financing facility and
11 use of cash collateral, which will provide the liquidity necessary for the Debtors to fund
12 the Case;

13 b. authorize the Debtors to (i) pay certain prepetition claims in the ordinary
14 course of business, including employee wages, salaries, and expense reimbursement
15 claims, and (ii) honor certain prepetition obligations to employees and maintain employee
16 benefit programs;

17 c. authorize the Debtors to continue using their existing cash management
18 system, including their existing bank accounts;

19 d. authorize the Debtors to reject certain unexpired leases of nonresidential
20 real property and executory contracts as of the Petition Date;

21 e. provide adequate assurance payments to utility companies in accordance
22 with section 366 of the Bankruptcy Code;

23 f. authorize the Debtors to honor certain prepetition obligations and continue
24 certain programs and practices for the benefit of their customers in the ordinary course;

25 g. authorize the implementation of certain administrative procedures to
26 minimize any disruption to the Debtors’ business as a result of the commencement of the
27 Case.
28

6. I believe that the relief requested in each First Day Pleading: (a) is necessary to preserve and maximize the value of the Debtors' estates; (b) is essential to the successful reorganization of the Debtors; and (c) serves the best interests of the Debtors, their estates, creditors, and all other parties in interest.

Preliminary Statement

7. The Debtors provide this Declaration as and in support of its “statement of operations” as required under sections 1187(a), 1116(1)(A), and 1116(1)(B) of the Bankruptcy Code.

8. The Debtors operate fourteen company-owned restaurants (all in California) and sublease or franchise over a dozen other restaurants, including the Sizzler restaurant (the “San Jose Sizzler”) located at 2910 Aborn Square Rd, San Jose, California.

9. Debtor SUSARP is party to the master lease for the San Jose Sizzler, and it is anticipated that this location will be one of the cornerstones of the Debtors' overall restructuring.

10. There are over 90 other **non-debtor** franchisee- and licensee-owned restaurants in California, Oregon, Washington, Arizona, Nevada, New Mexico, Utah, Idaho, Florida and Puerto Rico, and those other restaurants are only indirectly implicated in these chapter 11 filings.

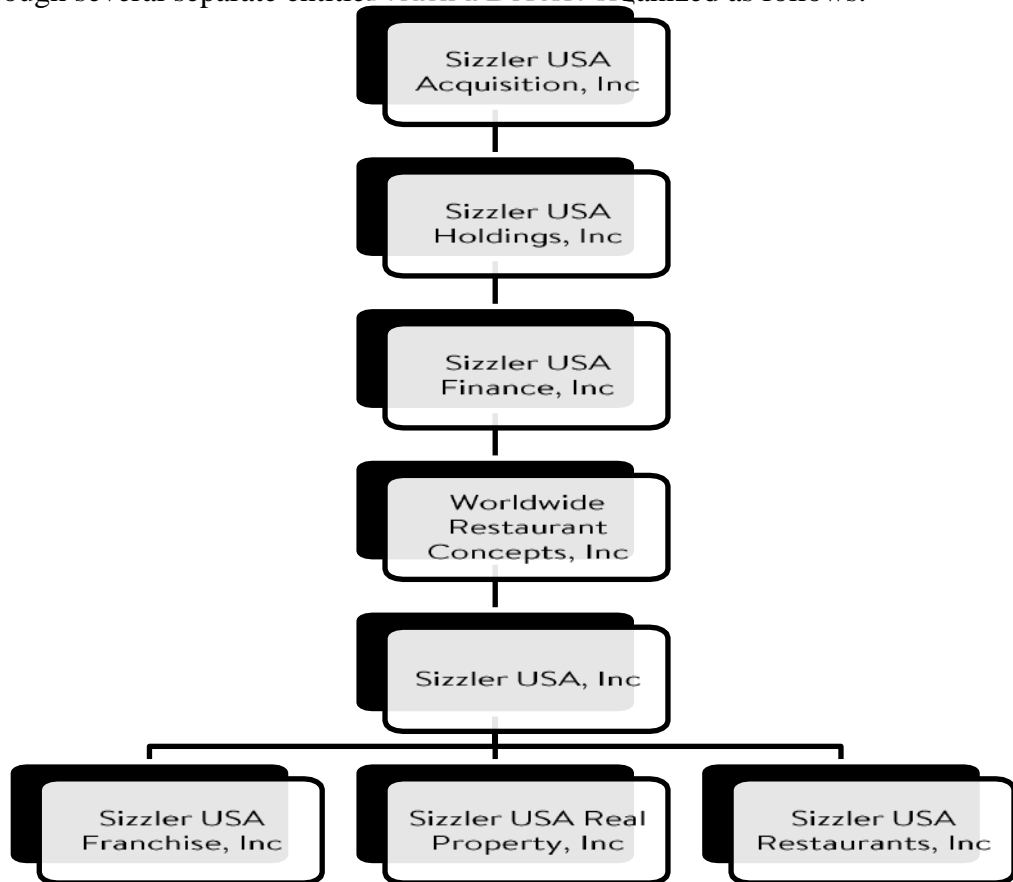
11. The Sizzler brand and restaurant properties have value, but that value has been pressured significantly this year. The Debtors can once again operate profitably, subject to a successful reorganization and infusion of operating funds. And I believe that the Debtors' business can be reorganized fairly and promptly by rejecting certain non-essential leases and contracts, reducing and restructuring liabilities, and obtaining an infusion of new capital, all of which I believe is reasonably feasible in accordance with the requirements of subchapter V of chapter 11.

12. Since 1958 (first as “Del’s Sizzler Family Steak House”), the Debtors (and their respective predecessors in interest) have been in the business of operating, and then franchising, family restaurants. Originally, the Debtors’ menu focused on grilled steaks, but later expanded into other items, including its famed “Salad Bar.”

1 13. Because of declining sales and rising expenses, the Debtors must reorganize their
2 liabilities and obtain an infusion of new operating funds, either in the form of loans, equity or
3 both. The liabilities to restructure under chapter 11 include business loans, real property leases,
4 certain obligations to former executive employees, and trade debt. The Debtors also intend to
5 close some company-owned restaurants and reject related real property leases.

6 **Corporate Structure**

7 14. Each of the Debtors is a Delaware corporation. Through several separate entities,
8 SUSAA operates its business of franchising and operating “Sizzler” branded family-style
9 restaurants throughout the United States, including in Puerto Rico (the “Business”). The Business
10 operates through several separate entities (each a Debtor) organized as follows:



25 The following are the active entities in the Sizzler corporate structure:

- 26 a. Sizzler USA Acquisition, Inc. (SUSAA). SUSAA is the ultimate parent
27 company. It was incorporated as a Delaware corporation on May 27, 2011. On June 7,
28

1 2011, SUSAA purchased a predecessor entity, Sizzler Holdings, Inc., which formerly was
2 called US Holdco, Inc., until a name change took place on August 23, 2011.

3 b. Sizzler USA Holdings, Inc. ("SUSAH"). Sizzler USA Holdings, Inc.
4 ("SUSAH") was incorporated in Delaware on May 11, 2005. Sizzler USA Holdings, Inc.,
5 owns 100% of the shares in Sizzler USA Finance, Inc.

6 c. Sizzler USA Finance, Inc. ("SUSAFI"). Sizzler USA Finance, Inc.
7 (SUSAFI) was incorporated in Delaware on May 11, 2005, as Bidco, Inc. It changed its
8 name to Sizzler USA Finance, Inc., on February 17, 2006. SUSAFI is the owner of 100%
9 of the shares in Worldwide Restaurant Concepts, Inc.

10 d. Worldwide Restaurant Concepts ("WRC"). Worldwide Restaurant
11 Concepts, Inc. was incorporated in Delaware as Collins Foods, Inc., on January 18, 1991.
12 WRC changed its name to Sizzler International, Inc., on May 6, 1991, and then to
13 Worldwide Restaurant Concepts, Inc., on August 31, 2001. On September 21, 2005, WRC
14 merged with US Mergeco, Inc., a Delaware corporation, leaving WRC as the sole
15 surviving entity of that merger. The prior owner of US Mergeco was Aus Bidco Pty
16 Limited (an Australian company), which in turn was owned by Aus Holdco Pty Limited
17 (also an Australian company). As a result of the merger, the new owner of WRC was Aus
18 Bidco Pty Limited.

19 In September and October 2005, transactions occurred whereby:

20 i. the shares in WRC were transferred from Aus Bidco Pty Limited to
21 SUSAFI (f/k/a US Bidco, Inc.);

22 ii. all assets previously held by WRC were transferred to Australian-
23 owned entities, including shares of all other subsidiary entities except for those in
24 Sizzler USA, Inc. (f/k/a Sizzler USA Holdings, Inc.); and

25 iii. certain liabilities were retained by WRC, including certain
26 contingent and unliquidated liabilities for a supplemental executive retirement plan
27 ("SERP") described below.
28

1 By virtue of these transactions, ultimate ownership of the Business and SERP
2 liabilities transferred to SUSAH. WRC owns 100% of the shares in Sizzler USA, Inc.

3 e. Sizzler USA, Inc. ("SUSA"). Sizzler USA, Inc. is a Delaware corporation
4 that was incorporated as Sizzler USA Holdings, Inc., on May 6, 1997. That entity changed
5 its name on May 29, 1997, to "Sizzler USA, Inc." SUSA owns all shares in Sizzler USA
6 Franchise, Inc.; Sizzler USA Real Property, Inc.; and Sizzler USA Restaurants, Inc.

7 f. Sizzler USA Franchise, Inc. ("SUSAFR"). Sizzler USA Franchise, Inc. is a
8 Delaware corporation formed on May 6, 1997, as Sizzler USA Restaurants, Inc. It later
9 changed its name to Sizzler USA Franchise, Inc. This entity holds all of the franchise
10 agreements of the Business. SUSAFR also is the registered owner of Sizzler trademarks
11 and other intellectual property.

12 g. Sizzler USA Real Property, Inc. ("SUSARP"). Sizzler USA Real Property,
13 Inc. is a Delaware corporation incorporated on May 6, 1997. This entity is the party to all
14 current unexpired, nonresidential real property leases of the Business except for Store 1233
15 in Santa Clarita, California.

16 h. Sizzler USA Restaurants, Inc. ("SUSAR"). Sizzler USA Restaurants, Inc.
17 is a Delaware corporation incorporated on August 13, 1985, as Sizzler Restaurants
18 International, Inc. This is the operating entity for all company-owned restaurants. SUSAR
19 also operates a support center and test kitchen facility in California for the company-owned
20 restaurants and operations related to the other Debtors' franchise businesses. It employs
21 all of the Debtors' employees, including support center staff (collectively, the
22 "Employees"). In 1997, it changed its name to Sizzler USA Restaurants, Inc.

23 i. Carson Sizz, LLC ("Carson Sizz").

24 i. Ownership. Carson Sizz, LLC, was specially formed to facilitate a
25 "partnership" franchise operating model for one store in Carson, California.

26 Initially, the owners of this company were Kevin W. Perkins, James A. Collins and
27 a former Sizzler CEO, Kerry Kramp, in equal shares. As part of the restructure of
28 the company following the conclusion of Kerry Kramp's employment in May

2019, Kevin Perkins purchased Mr. Kramp's 1/3 share in the company. On October 3, 2019, Kevin Perkins transferred three units of Carson Sizz to me. Carson Sizz is not a Debtor.

ii. Franchise Agreement. SUSAFR has a franchise agreement with Carson Sizz, LLC. SUSAFR charges Carson Sizz a 2% management fee (in addition to standard royalties) in consideration for handling all operations of the store.

iii. Employees. Carson Sizz employs 26 employees, ten of whom work full time. SUSAR pays for certain employee benefits, including medical and dental benefits, for these individuals.

iv. Loan. Carson Sizz is the borrower under a revolving credit facility with SUSAA. Currently, Carson Sizz owes to SUSAR \$200,000.

Shareholders and Board of Directors

15. Current Shareholders. The current owners of shares of SUSAA are:

a. Perkins US Financial Services Pty Ltd ATF and KPUS Trust, which, together, own 1,229,722 shares of Common Stock (75.46%).

b. James A. & Carol Collins as trustees of the Collins Family trust, which owns 400,000 shares of Common Stock (24.54%)

Capital Structure

16. The following loans are outstanding:

| <u>Borrower</u> | <u>Payee</u> | <u>Amount Owed</u> | <u>Maturity</u> | <u>Main Payment Terms</u> |
|-------------------------------|---|-------------------------------|------------------------|--|
| Sizzler USA Acquisition, Inc. | James A. Collins, as trustee for Collins Family Trust | \$300,000 | On demand | Interest only – 1% (quarterly payments) |
| Sizzler USA Acquisition, Inc. | James A. Collins, as trustee for Collins Family Trust | \$800,000 | On demand | Interest only – 1% (quarterly payments) |
| Sizzler USA Acquisition, Inc. | Perkins US Investment Corporation Pty Ltd | \$600,000 | April 1, 2020 | Interest only – 6% (quarterly payments) <i>Unpaid interest forgiven</i> |

| <u>Borrower</u> | <u>Payee</u> | <u>Amount Owed</u> | <u>Maturity</u> | <u>Main Payment Terms</u> |
|-------------------------------|---|-----------------------|---|--|
| Sizzler USA Acquisition, Inc. | Perkins US Investment Corporation Pty Ltd | \$547,500 | April 1, 2020 | Interest only – 6% (quarterly payments) <i>Unpaid interest forgiven</i> |
| Sizzler USA Acquisition, Inc. | Perkins US Investment Corporation Pty Ltd | \$200,000 | April 1, 2020 | Interest only – 6% (quarterly payments) <i>Unpaid interest forgiven</i> |
| Sizzler USA Acquisition, Inc. | Kevin Perkins, an individual | \$391,119.12 | On Demand | |
| Sizzler USA Acquisition, Inc. | Carson Sizz, LLC | \$200,000 | 14 days after written notice of termination | |
| Sizzler USA Acquisition, Inc. | Kevin Perkins, an individuals | \$52,000 | On demand | |
| All Debtors | Kevin Perkins, an individuals | \$200,000* | December 31, 2020 or 14 days after Bankruptcy Court order authorizing repayment | |
| | Total | \$3,090,619.12 | | |

*This is the only secured loan obligation of any of the Debtors.

Events Leading to Chapter 11

17. The events precipitating the Debtors' cases are now a familiar story. The global coronavirus pandemic and resulting orders issued by state, county, and city officials prohibiting restaurants from providing customers with dine-in services has decimated the Debtors' retail dining operations. Due to the pandemic, SUSAR has had to cease operating its company-owned restaurant locations at least twice. Thereafter, once authorized to resume retail dining services, the Debtors have tried to adapt and provide dining services that range from take-out to outdoor dining to third-party delivery services. However, as Sizzler's menu, and in particular its famed self-service Salad Bar (from which Sizzler restaurants derive upwards of 40% of their revenue), is neither targeted toward nor as adaptable to carry-out and delivery, both company- and franchisee-owned restaurant locations have been struggling.

1 18. Indeed, the COVID-19 crisis has blighted the restaurant sector of the economy,
2 especially restaurants like Sizzler that rely on serving guests primarily indoors. For the past six
3 months, the Debtors have implemented drastic cost-cutting measures while making every effort to
4 maximize sales as permitted by state and local authorities. Nevertheless, these unprecedented
5 times and resulting economic damage to the American restaurant and hospitality industry have not
6 spared the Debtors.

7 19. In addition to the current challenges to the Debtors' traditional fare, however, many
8 of the company-owned restaurant locations were struggling pre-pandemic. A variety of reasons,
9 including recent increases to labor costs and local taxes have made it difficult for the Debtors to
10 maintain profitability. Unable to operate at full capacity and subject to uncertainty for the
11 foreseeable future, the Debtors have been unable to maintain cash flow sufficient to meet all of
12 their financial obligations. Ultimately, the dramatic decline in revenues forced the Debtors to seek
13 relief under chapter 11 of the Bankruptcy Code.

14 **Facts in Support of First Day Motions**

15 **Need for Debtor in Possession Loan**

16 20. As of the Petition Date, the total amount of the Debtors' combined, aggregate
17 noncontingent, liquidated debt, at least 50% of which arises from "commercial or business
18 activities," is approximately \$7,200,000 (excluding debts owed to one or more affiliates or
19 insiders). Accordingly, I believe that the Debtors are eligible small business debtors under the
20 Small Business Reorganization Act of 2019, as temporarily modified under the Coronavirus Aid,
21 Relief, and Economic Security Act (the "CARES Act").

22 21. As of the Petition Date, the Debtors have insufficient working capital to timely pay
23 postpetition expenses as necessary. The Debtors have negotiated to obtain a loan in the amount of
24 up to \$2,000,000 from Kevin Perkins or entity affiliated with and designated by him to act as
25 lender (the "DIP Lender"). This money will be used in accordance with the Budget attached
26 hereto as **Exhibit A**¹. The loan provides significantly **below** market terms and conditions and is

27 _____
28 ¹ The Budget also serves as the Debtor's most recent cash flow statement in accordance with
sections 1187(a), 1116(1)(A), and 1116(1)(B) of the Bankruptcy Code.

1 materially more favorable to the Debtors than any other loan terms that the Debtors were offered
2 or believe they could obtain in the market following. The Lender is the largest shareholder of
3 SUSAA and is an insider. It is anticipated that the Lender will also provide necessary exit
4 financing in an amount needed to confirm a plan of reorganization or will exchange debt or
5 provide new equity to acquire all shares of the reorganized debtors in accordance with a plan of
6 reorganization.

7 22. To meet the Debtors' obligations to employees and other vendors immediately after
8 the commencement of this Case, the Debtors need the DIP Lender to fund at least \$280,000 of the
9 DIP Loan. In fact, based on the anticipated timing of the emergency hearing on the Debtors'
10 various requests for relief by the First Day Motions, I believe that the Debtors may not meet the
11 funding deadline for their prepetition employee obligations, including payroll. Therefore, the
12 Debtors requested, and the DIP Lender funded, \$280,000 directly into the Debtors' Concentration
13 Account (defined below) held at Chase (defined below), based upon the agreement of the Debtors
14 to hold such funds in trust for the DIP Lender. These funds are necessary to ensure that the
15 Debtors can meet their prepetition payroll obligations. In the event the Court does not enter
16 interim orders granting relief requested related to the DIP Loan or the prepetition employee
17 obligations, the Debtors immediately will return to the DIP Lender the \$280,000.

18 23. Franchise and License Agreements. SUSAFR is the entity that is the party to all
19 franchise agreements, license agreements and sublicense agreements. These agreements involve
20 98 restaurants, with 34 franchisees and operating sublicensees.

21 a. Royalties. Franchisees pay royalties based on a percentage of net sales.
22 The standard percentage is 7%. Franchisees collectively now owe to the Debtors
23 approximately \$500,000 in accrued royalties to SUASFR.

24 b. Production & Marketing Fund. Most franchisees (and a handful of
25 licensees) also pay a Production & Marketing Fund ("PMF") a fee equal to 0.75% of net
26 sales. Franchisees collectively owe approximately \$180,000 in PMF Fees.

c. Advertising Co-Ops. There are three Sizzler Advertising Co-Ops covering the Bay Area, Sacramento and Greater Los Angeles. The Co-Ops are run by separate, not-for-profit entities that SUSAA does not own.

24. Intellectual Property. SUSAFR owns several registered trademarks. SUSAR owns two trademarks.

Rejection and Assumption of Certain Non-Residential Real Property Leases

25. Real Property Interests. SUSARP is the entity that holds most of the Debtors' interests in real estate. It has interests in 28 properties. Carson Sizz, a franchisee managed by SUSAFR (see paragraph 10(i)) also has a lease.

a. Nonresidential Real Property Leases. SUSARP is the lessee under the following unexpired subleases of nonresidential real property:

| | <u>Lessor</u> | <u>Property Type</u> | <u>Address</u> |
|----|---|--|---|
| 1 | 710 Western Avenue, LLC | Company-operated store | 710 South Western Ave., Los Angeles, CA |
| 2 | Collins Realty Associates, LLC | Company-operated store | 5856 W. Manchester Ave., Los Angeles, CA |
| 3 | Richards Enterprises | Company-operated store | 13570 Lincoln Way, Auburn, CA 95603 |
| 4 | ABC Bloom LLC | Sublease/Company-Franchisee "Partnership"-operated store | 20755 S Avalon Blvd., Carson, CA 90746 |
| 5 | WAMAGA, LLC | Company-operated store | 5801 Sepulveda Blvd., Culver City, CA 90230 |
| 6 | Times Square Holdings, LLC | Sublease/Franchisee-operated store | 3121 W Shaw Ave., Fresno, CA 93711 |
| 7 | Collins Foods International, Inc. | Company-operated store | 24107 Hesperian Blvd., Hayward, CA 94545 |
| 8 | Trustees of the Anthony Woo King Liu and Bonnie Yuk Ching Liu Revocable Trust | Company-operated store | 831 E Manchester Blvd., Inglewood, CA 90301 |
| 9 | Topper Properties, LLC | Company-operated store | 2920 Los Feliz Blvd., Los Angeles CA |
| 10 | The Nelson Family Trust dated 1986 dba Posada West Plaza | Company-operated store | 853 W Palmdale Blvd., Palmdale, CA 93551 |

| | <u>Lessor</u> | <u>Property Type</u> | <u>Address</u> |
|----|--|--|---|
| 11 | BLR Properties, LLC | Company-operated store | 6631 Clay St., Jurupa Valley, CA 92509 |
| 12 | Braun Family, LLC | Company-operated store | 6730 Rosemad Blvd., Pico Rivera CA |
| 13 | Graziadio Investment Company | Company-operated store | 1515 Fitzgerald Dr., Pinole, CA 94564 |
| 14 | Glen Commercial Realty Corp. | Support Center/Test Kitchen/Corporate HQ | 23352 Madero Rd., Ste. B Mission Viejo, CA 92691 |
| 15 | Clara M. Clem Trust | Company-operated store | 110 W Redlands Blvd., Redlands, CA 92373 |
| 16 | TJM Shopping Center 05 A, L.P. | Company-operated store | 1850 Douglas Blvd., Roseville, CA 95661 |
| 17 | Daly Square Dolphin, G.P. | Company-operated store | 3755 Murphy Canyon Rd., Ste. S San Diego CA 92123 |
| 18 | Sek Hou Mock & Sui Ping Mock Revocable Trust | Sublease/Franchisee-operated store | 2910 Aborn Square Rd., San Jose, CA 95121 |
| 19 | Desin Properties | Company-operated store | 2855 Augustine Dr., Santa Clara, CA 95054 |
| 20 | MGP XI Properties, LLC | Company-operated store | 19013 Golden Valley Rd., Santa Clarita, CA 91387 |
| 21 | The Rosalinde and Arthur Gilbert Foundation | Company-operated store | 17544 Hawthorne Blvd., Torrance, CA |
| 22 | The Khalili Trust | Company-operated store | 7131 Van Nuys Blvd., Van Nuys, CA 91405 |
| 23 | Philippe Izak, Frida Berger and Margaret E. Isac | Company-operated store | 400 S Vermont Ave., Los Angeles, CA 90020 |
| 24 | Joyce Forest Inter Vivos Trust | Sublease/Franchisee-operated store | 2121 W Caldwell Ave., Visalia, CA 93277 |
| 25 | Corona Vista Plaza, LLC | Company-operated store | 1461 Rimpau Ave. Corona, CA 92879 |
| 26 | R&P Enterprises, a general partnership | Franchisee-operated store | 5815 Madison Ave. Sacramento, CA |
| 27 | Steiner Grants Pass Investors, LLC | Franchisee-operated store | 1871 NE 7 th St. Grants Pass, OR |

b. Nonresidential Real Property Subleases. SUSARP is the sublessor under four unexpired subleases of nonresidential real property. Franchisees of Sizzler-branded restaurants sublease the following premises:

| <u>Lessor</u> | <u>Lessee/Sublessor</u> | <u>Sublessee</u> | <u>Address</u> |
|----------------------------|--------------------------------|---------------------------|--|
| ABC Bloom LLC | SUSARP | Carson Sizz | 20755 S Avalon Blvd., Carson, CA 90746 |
| Times Square Holdings, LLC | SUSARP | Ronald E. & Mary E. Reese | 3121 W Shaw Ave., Fresno, CA 93711 |

| | | | |
|--|--------|---------------------------|---|
| Sek Hou Mock & Sui Ping Mock Revocable Trust | SUSARP | AAA Sizzle, Inc. | 2910 Aborn Square Rd., San Jose, CA 95121 |
| Joyce Forest Inter Vivos Trust | SUSARP | Ronald E. & Mary E. Reese | 2121 W Caldwell Ave., Visalia, CA 93277 |

c. Leasehold Obligations. As of the Petition Date, the Debtors' outstanding liabilities to landlords are as follows:

| Location | Liability (Rent, Tax, CAM) | Property Total |
|-------------------------|----------------------------|------------------|
| Lease | | |
| 4th & Vermont | 39,731 | 245,338 |
| 7th & Western | 88,258 | 206,445 |
| Airport | 85,449 | 84,000 |
| Auburn | - | 136,315 |
| Carson | 16,519 | 164,640 |
| Corona | - | 210,000 |
| Fox Hills | - | 80,040 |
| Fresno | - | 72,000 |
| Grants Pass | - | 116,880 |
| Hayward | - | 78,264 |
| Home Office | - | 68,292 |
| Indio | 8,292 | 296,816 |
| Inglewood - Forum | 56,816 | 390,342 |
| Los Feliz | 132,342 | 85,006 |
| Madison | - | 137,256 |
| Lease Total | 1,005,889 | 4,839,403 |
| Installment Sale | | |
| Indio | | 8,292.27 |
| Grand Total | 1,005,889 | 4,847,695 |

c. Indio Property. SUSARP, as successor in interest to Sizzler Restaurants International, Inc., is a party to that certain Contract of Sale with Reginald O. Robinson and Patricia Robinson dated September 30, 1990, which is an installment sale contract for the purchase of real property located at 81-760 CA-111, Indio, CA 92201 (the "Indio Property"). Title to the Indio Property will vest in the Debtor upon payment in full of the purchase price.

1 26. The Debtors' company-owned and operated restaurants at each of the premises
2 described in the Leases subject to rejection (collectively, the "Restaurant Locations") have been
3 unprofitable for the past year or was never even operational as company-owned and operated
4 Restaurant Locations. The Debtors have analyzed the losses that they have suffered at these
5 unprofitable Restaurant Locations and determined to eliminate them. In connection with the
6 elimination of these Leases, the Debtors have determined that it is in their best interests to
7 eliminate two Contracts for the lease of personal property that they previously used at these
8 Restaurant Locations. Attached hereto as **Exhibit B** is a schedule of Leases and Contracts to be
9 rejected as of the Petition Date, as well as authentic copies of the Contracts.

10 27. The Debtor already has vacated or promptly will vacate the premises described in
11 the Leases and is in the process of making arrangements with the Contracting Party to return to it
12 the personal property that is the subject of the Contracts. Since all rents accruing under the Leases
13 and Contracts after the Petition Date may be entitled to administrative priority, and these rents
14 relate to Restaurant Locations that either are unprofitable or have never been operational, the
15 Debtors must immediately reject these Leases and Contracts.

16 28. The Leases and Contracts are no longer of value and constitute a burden on the
17 Debtor's bankruptcy estate. The Debtor no longer operate, or never operated in the first instance,
18 the Restaurant Locations. Therefore, rejection of the Leases and Contracts will give the Debtor
19 access to increased cash flow and, therefore, is in the best interests of the Debtor's estate.

20 29. The Contract Rejection Procedure sets forth a mechanism by which the Debtor will
21 provide to each Contracting Party and the Subchapter V Trustee notice of the proposed rejection
22 and an opportunity to object to such rejection. Thus, implementation of the Contract Rejection
23 Procedure will not prejudice any Contracting Party; indeed, the Contract Rejection Procedure will
24 result in administrative efficiency. I believe that Court authorization to implement the Contract
25 Rejection Procedure is in the best interests of the estates and judicial economy, and will minimize
26 administrative expenses and burdens on the Court.

27
28

Cash Management System

30. SUSAFR and SUSAR currently have a total of ten bank accounts (collectively, the “Debtors’ Accounts”), all of which serve or have served as operating accounts and are held only in the names of either SUSAFR or SUSAR. Of these ten accounts, seven are primarily used to collect franchising, licensing, and royalty fees from the Debtors franchisees and licensees, credit card receipts from the operation of the Debtors’ company-owned restaurants, and rent payments from the Debtors’ subtenants, and two used to pay the expenses of operating the Debtors’ franchising, subleasing, and restaurant-operations businesses, including the Debtors’ payroll, payments to landlords, vendors, and other business expenses; and the final account is open for any financial investments but currently unused by the Debtors.

31. The above accounts and arrangements collectively comprise the Debtors’ cash management system, which enables the Debtors to, among other things, receive franchise and royalty fees from the Debtors’ franchisees and licensees, rent payments from its subtenants of certain real properties, make rent payments to landlords, make payments to vendors that provide services to the Debtors, and generate timely and accurate financial information related to the Debtors’ operations.

32. The above-described cash management system is essential to the Debtors’ operations and business. If the Debtors’ cash management practices and procedures are disrupted, the Debtors’ efforts to maintain their existing operations and restructure their affairs likely will be significantly hindered. I believe their creditors and their bankruptcy estates would not receive any benefit if the Debtors were required to close the Debtors’ Accounts and open new ones.

33. To continue operating effectively post-bankruptcy, the Debtors need continuity in their cash management system and bank accounts. Specially, the Debtors seek to maintain the Debtors’ Accounts. I believe that obtaining an order approving this motion is critical, because absent such an order, (i) the Debtors would need to advise each of their numerous franchisees and licensees of the Sizzler brand restaurant operations and subtenants of nonresidential real property leases to direct their franchise, license, royalty, and rent payments to new accounts, which would almost certainly create confusion for those franchisees, licensees, and subtenants, thereby

1 impeding the Debtors' ability to collect franchise, license, and royalty fees, and rents, (ii) the
2 Debtors would need to make new arrangements for making payments to vendors of services to
3 them, which could cause confusion for those service providers, make them uncomfortable
4 providing services, and delay the provision of those services, which are imperative to the Debtors'
5 operations, and (iii) the Debtors would need to spend time closing accounts and opening new ones,
6 including dormant accounts, with no corresponding benefit to creditors or the estate.

7 34. The Debtors' Accounts are maintained at JP Morgan Chase Bank, N.A. ("Chase")
8 and U.S. Bank, N.A. ("US Bank").² Both Chase and US Bank are on the United States Trustee's
9 List of Cooperating Depositories, and consist of the following types of accounts:

10 a. Concentration Operating Accounts. SUSAR maintains and controls two
11 operating accounts, one each at Chase and US Bank, that, historically, are used to fund all
12 disbursements of the Debtors, including, but not limited to, secured and unsecured loan
13 obligations, payroll, rent, taxes, insurance premiums, payments to former executives of the
14 Debtors, vendor payments, and all other expenses incurred with the Debtors' business
15 operations (collectively, the "Concentration Operating Accounts"). The last four digits of
16 the Concentration Operating Account held at Chase are ****1359, and the last four digits
17 of the Concentration Operating Account at US Bank are ****7084.

18 b. Credit Card Accounts. SUSAR also maintains and controls two zero
19 balance accounts, one each at Chase and US Bank, that it uses to deposit credit card
20 receipts from company-owned and operated restaurants (collectively, the "Credit Card
21 Accounts"). The last four digits of the Credit Card Account held at Chase are ****1805,
22 and the last four digits of the Credit Card Account at US Bank are ****7100. Each day,
23 funds deposited or remitted into the Credit Card Accounts are swept into the Concentration
24 Operating Accounts held at Chase and US Bank. From day to day, no funds are retained in
25 the Credit Card Accounts.

26
27
28 ² The Debtors will be asking Chase and US Bank to convert each of the existing Debtors'
Accounts into a debtor in possession account.

1 c. Disbursement Accounts. Additionally, SUSAR maintains and controls two
2 zero balance accounts, one each at Chase and US Bank, that it uses to make payments to
3 all of the Debtors' creditors (collectively, the "Disbursement Accounts"). The last four
4 digits of the Disbursement Account held at Chase are ****2209, and the last four digits of
5 the Disbursement Account at US Bank are ****1456. Each day, funds are withdrawn
6 from the Concentration Operating Accounts to fund checks and wires issued to the
7 Debtors' creditors from the Disbursement Accounts as and for payment of, among other
8 things, the Debtors' daily operations, loan obligations, and payments to former executives.
9 From day to day, no funds are retained in the Disbursement Accounts.

10 d. Marketing Account. SUSAR also maintains and controls a general account
11 at Chase that it uses to accept "Production and Marketing Fund" payments from the
12 Debtors' franchisees and licensees under the terms of franchise agreements to which
13 SUSAFR is a party. Franchisees and licensees of the Debtors currently pay 0.75% of sales
14 to SUSAR to fund production and marketing expenses for the benefit of all Sizzler-
15 branded restaurants (the "Marketing Account"). The last four digits of the Marketing
16 Account held at Chase are ****2010.

17 e. Franchise Accounts. SUSAFR maintains and controls two zero balance
18 accounts, one each at Chase and US Bank, that it primarily uses for receiving payments
19 from franchisees and licensees of the Debtors pursuant to franchise agreements related to
20 more than 90 non-debtor franchisee- and licensee-owned and operated Sizzler branded
21 restaurants (collectively the "Franchise Accounts"). The last four digits of the Franchise
22 Account held at Chase are ****2613, and the last four digits of the Franchise Account at
23 US Bank are ****7118. Each day, funds deposited or remitted into the Franchise
24 Accounts are swept into the Concentration Operating Accounts held at Chase and US
25 Bank. From day to day, no funds are retained in the Franchise Accounts.

26 f. Money Market Account. SUSAR also maintains and controls a money
27 market account at Chase that it currently does not use but keeps open in the even the
28 Debtors determine to make financial investments with any excess or other funds it has (the

1 “Money Market Account”). The last four digits of the Marketing Account held at Chase
2 are ****2569.

3 35. A complete list of the Debtors’ Accounts that identifies the type of each account as
4 described in this Motion and includes a redacted account number for each account is attached
5 hereto as **Exhibit C**.

6 36. The Debtors propose to maintain the existing cash management system with respect
7 to the Debtors’ Accounts as described above with the following changes: First, the signature cards
8 on all of the Debtors’ respective accounts will be changed to reflect the Debtors’ status as a
9 "debtor-in-possession". Second, the Debtors will work with Chase and US Bank to ensure that no
10 prepetition checks or other prepetition claims are honored other than as ordered by this Court. The
11 cash management system with respect to the Debtors’ respective bank accounts, with these
12 changes, would remain in place subject to further order of this Court.

13 a. Subject to a prohibition against honoring prepetition checks or offsets
14 without specific authorization from this Court, the Debtors request that they be authorized
15 to maintain and continue the use of the Debtors’ Accounts in the same manner and with the
16 same account numbers, styles, and document forms as those employed during the
17 prepetition period.

18 b. As part of the relief requested, the Debtors also seek a waiver of the
19 requirement by the United States Trustee for Region 17 to establish specific bank accounts
20 for tax payments. *See* Region 17 United States Trustee Guidelines, § 4.4.6(a)(2). The
21 Debtors believe that tax obligations can be paid most efficiently pursuant to its existing
22 cash management system, that the U.S. Trustee can adequately monitor the flow of funds
23 into, among, and out of the Debtors’ Accounts through the Debtors’ required monthly
24 operating reports, and that the creation of new debtor in possession accounts designated
25 solely for tax obligations would be unnecessary and inefficient.

26 37. The existing cash management system is efficient and effective. It will be
27 disruptive to the Debtors’ ongoing business operations to shut the existing system down and close
28 the Debtors’ Accounts. Such a disruption would require the Debtors to dedicate its scarce human

1 resources to opening approximately ten new bank accounts, informing numerous parties to more
2 than 90 franchise and license agreements, subtenants to real property leases, and the managers of
3 fourteen company-owned and operated restaurants about the new accounts to which franchise fees,
4 royalty payments, rent, and credit card receipts, should be paid, and making arrangements to pay
5 vendors from those new accounts – all with no corresponding benefit to creditors. A drastic shift
6 in the cash management system would likely confuse the Debtors’ numerous franchisee and
7 licensees, subtenants to real property leases, as well as the Debtors’ various vendors and service
8 providers, disrupt the flow of franchising and licensing, sublease, credit card revenue from the
9 Debtors’ company-owned and operated restaurants, distract the Debtors from ensuring stable day-
10 to-day operations. Subtenants might mistakenly mis-direct their rent payments to a recently-
11 closed account or fail to make a timely sublease payment because they are uncertain where
12 payments should be sent. Similarly, some service providers may delay or cease providing goods
13 and services to the Debtors if the Debtors have to convince them that the Debtors are continuing to
14 operate.

15 38. Requiring the Debtors to close the dormant Money Market Account would provide
16 no benefit to any party in interest, but would distract the Debtors’ current leadership from
17 attending to other, more pressing management and reorganization issues. The resulting effects
18 could be devastating to the Debtors’ efforts to restructure their financial affairs. Alternatively, by
19 ensuring that all of the Debtors’ operating and management functions continue uninterrupted,
20 including collection of franchise and license fees, rent, credit card receipts, and payments to
21 vendors, the I am confident the Debtors will be better able to effectuate the business
22 reorganization it so acutely needs. The Debtors’ Accounts are of key value to all parties in interest
23 in the Debtors’ Case and preserving the Debtors’ current cash management system, subject to
24 Court approval, is critical. The continuation of the Debtors’ existing cash management systems,
25 subject to the protections described above with respect to the Debtors’ Accounts, are more than
26 adequate to protect creditors, the Debtors’ respective estates and parties in interest.

1 **Employee Obligations**

2 39. SUSAR operates fourteen Company-owned and operated restaurants, as reflected
3 on the above chart. SUSAR employs 481 individuals and provides medical and dental benefits to
4 an additional 26 individuals employed by Carson Sizz, LLC (collectively with the 481 SUSAR
5 employees, the “Employees”) under a franchise management agreement with that franchisee
6 (“Carson Sizz”). Of these Employees, 203 are “active” and 183 work full time, while 278 are on
7 leave or furlough. Of the employees on leave or furlough, SUSAR continues to provide medical
8 and other benefits to 35 furloughed employees and eight who are on leave. Of the total 481
9 SUSAR employees, 27 full-time Employees work at the Support Center, which runs corporate
10 operations for each of the Debtors and for all of the company-owned restaurants. The Support
11 Center staff also provides assistance to other franchise restaurants that the Debtors do not own.
12 The rest of SUSAR’s Employees work at the 15 company-owned restaurant locations in
13 California. Of these, 27 are active full-time restaurant managers, while another three managers
14 presently are on leave and two are on furlough. The other Debtors do not currently have any
15 employees.

16 40. As of the Petition Date, various amounts of prepetition employee obligations had
17 accrued or were owed but unpaid because, among other things:

18 a. The Debtors filed these Cases in the midst of SUSAR’s customary payroll
19 periods (paychecks are normally distributed every two weeks). As such, various amounts
20 in prepetition payroll liabilities were due and owing as of the Petition Date. SUSAR filed
21 its chapter 11 petition mid-way through one of its regular and customary payroll periods
22 (and the next payroll is due September 25, 2020 and must be funded two days in advance);

23 b. There is a short “lag” between the time employees are paid and the pay
24 period covered by their paychecks. Paychecks are issued on every other Friday, on
25 account of services rendered to the Debtors through the previous Sunday. The last payday
26 was September 11, 2020, which covered the period August 24, 2020, through September 6,
27 2020;

1 c. Some payroll and expense reimbursement checks issued to employees prior
2 to the Petition Date have not yet been presented for payment or have not yet cleared the
3 banking systems and, accordingly, were not honored and paid as of the Petition Date; and

4 d. Certain other forms of compensation (including sick pay, paid time off, and
5 withholdings for benefit plan contributions) related to services rendered prepetition have
6 not yet been honored because such benefits, although accrued before the Petition Date,
7 were not payable but rather will become payable in the ordinary course of the SUSAR's
8 business.

9 41. I believe it is crucial that the Court authorize SUSAR to pay to their employees
10 prepetition wages and salaries and expense reimbursements earned and incurred in the ordinary
11 course, and to honor but not pay certain prepetition benefits.

12 42. SUSAR's Employees are essential to the Debtors' continued operation and
13 viability, as well as the Debtors' ability to fulfill their duties as debtors-in-possession. Certain of
14 SUSAR's Support Center Employees are and will be involved in preparing the Debtors' schedules
15 of liabilities and assets and statements of financial affairs in the cases, preparing financial analyses
16 and budgets, preparing monthly operating reports, and overseeing the Debtors' operations.

17 43. The filing of this Case has disrupted the Debtors' normal operations. Unless
18 SUSAR can promptly honor its prepetition employee obligations, the Debtors believe that
19 employee morale will suffer, and many Employees may be unable to meet their own personal
20 obligations in these already trying times. If that happens, it will lead to the risk that Employees
21 will find employment elsewhere, and the Debtors' business operations will be interrupted in the
22 midst of this critical period. SUSAR's Support Center Employees are intimately knowledgeable
23 about all of the Debtors' operations and business affairs, as well as about operations at the
24 company-owned restaurants, and their retention is necessary to ensure a timely and efficient
25 bankruptcy process. Moreover, the SUSAR Employees who are employed at the company-owned
26 restaurants, particularly the restaurant managers, are critical to maintaining restaurant operations
27 necessary to maintain an income stream for the Debtors. Without SUSAR's Employees, none of
28 the Debtors will be able to continue to effectively operate its business, and the ability of the

1 Debtors to preserve and maximize the value of their assets – including restaurant operations at the
2 company-owned restaurant locations – will be jeopardized. Therefore, all major constituencies,
3 including creditors, Employees, and Employee dependents will benefit from SUSAR’s ability to
4 pay certain prepetition benefits and expenses to its Employees.

5 44. SUSAR administers its payroll obligations through third parties, and its Employees
6 are paid every two weeks (every other Friday) for the work period ending the prior Sunday. The
7 Debtor’s average gross payroll for its Employees is approximately \$200,000 per two-week period.
8 The total amount of the prepetition wages and salaries owed is collectively approximately
9 \$200,000, and no single employee is entitled to an amount in excess of \$13,650.

10 45. In the ordinary course of business, Automatic Data Processing, Inc. (“ADP”)
11 processes and disburses SUSAR’s payroll based on data that it receives from SUSAR. ADP
12 calculates the amounts necessary to fund payroll (including payroll taxes, withholdings, and other
13 deductions), and debits SUSAR’s account accordingly in advance of payroll and disburses the
14 funds to the Employees and third parties, as applicable, by electronic transfers or by checks.

15 46. No employee has received, or will receive, post-petition payment on account of his
16 or her prepetition wages in excess of \$13,650, consistent with the statutory cap in Section
17 507(a)(5) of the Bankruptcy Code.

18 47. Failure to approve payment for prepetition employee wages would be a blow to
19 employee morale and could undermine SUSAR’s ability to retain its Employees at this critical
20 time period. Many of the Employees are reliant on the timely payment of their wages to cover
21 their monthly living expenses. The Employees’ commitment and loyalty to the Debtors is critical
22 to the Debtors’ successful navigation of the bankruptcy process.

23 48. SUSAR’s business practice has been to supplement the wages and salaries of its
24 full-time Employees by providing them with certain employee benefit programs. These programs
25 include such standard benefits as paid time off and medical, dental, and vision insurance. SUSAR
26 is continuing these programs in the ordinary course of its business operations, subject to Court
27 approval. The relief sought in the Employee Obligations Motion relates only to those unpaid
28

1 prepetition benefits that were earned in connection with certain of SUSAR's benefit programs as
2 more fully described herein.

3 49. SUSAR's employees accrue paid time off at the following rates according to the
4 below chart:

| 5 Completed Length 6 of Service | Accrual Rate Per Pay Period | Annual Paid Time Off | Max Accrual |
|------------------------------------|--------------------------------|-------------------------|-------------|
| 7 Hire – 1 year* | 3.08 hours* | 80 hours | 80 hours |
| 8 1 – 4 years | 4.62 hours | 120 hours | 160 hours |
| 5 – 9 years | 5.54 hours | 144 hours | 184 hours |
| 9 10 years and above | 6.15 hours | 160 hours | 200 hours |

10 *Managers-in-Training, Restaurant Managers, and General Managers accrue 3.33 hours for their first year of employment.

11 50. Upon termination, SUSAR pays all Employees for any accrued but unused paid
12 time off, pursuant to applicable law. The Debtors have sought the authority in the Employee
13 Obligations Motion, in their sole discretion, to continue to honor SUSAR's paid time off policies
14 in the ordinary course, including to allow Employees post-petition to take paid time off earned
15 prepetition. The Debtors' outstanding PTO liability as of September 20, 2020, was estimated to
16 total \$178,664.42. The Debtors are not seeking authority now to compensate Employees for
17 accrued and unused paid time off in the event of a termination. Rather, the Debtors are requesting
18 that any Employees either terminated as a result of this bankruptcy or in the ordinary course of
19 business will retain a claim for such prepetition accrued and unused paid time off.

20 51. Employees are also entitled to certain medical and dental benefits. SUSAR
21 presently owes \$400,651.00 in outstanding medical benefits premiums through the end of 2020;
22 \$23,908.00 for dental benefits premiums through the end of 2020; and \$4,547.00 in vision benefits
23 premiums through the end of 2020 for its Employees. The Debtors have sought the authority in
24 the Employee Obligations Motion, in their sole discretion, to continue to honor SUSAR's medical,
25 dental, and vision benefits policies in the ordinary course, including allowing Employees post-
26 petition to utilize such benefits. The Employees' continued ability to utilize SUSAR's medical
27 benefits is particularly crucial given the need for affordable access to healthcare and testing during
28 the global COVID-19 pandemic.

1 52. SUSAR also provides life and accidental death and dismemberment insurance and
2 long term disability insurance benefits to a few of its key Employees. SUSAR presently owes
3 \$5,783.00 in outstanding premiums for its life and accidental death and dismemberment insurance
4 policy through the end of 2020, and \$7,709.00 in outstanding premiums for its long term disability
5 insurance policy through the end of 2020. SUSAR likewise seeks the authority to maintain these
6 benefits in the ordinary course, including allowing Employees post-petition to utilize such
7 benefits.

8 53. From time to time, the Employees incur miscellaneous expenses related to their
9 jobs, including mileage costs, car allowances, cell phone costs, and other expenses for certain
10 Employees. In particular, eleven employees are reimbursed up to \$27.50 each every two weeks
11 for cell phone plans; three employees are reimbursed up to \$1,000 each per month for mileage,
12 and five employees are reimbursed on average up to \$465 each every two weeks for additional car
13 allowances. Prepetition, SUSAR routinely reimbursed these expenses. Employees generally
14 submit expense reports, including receipts or other backup documentation, in order to receive
15 reimbursement for their business expenses. After receiving approvals, SUSAR would remit
16 payment to the employee.

17 54. Based on current information, SUSAR estimates that approximately \$302.50 in
18 reimbursements for cell phone plans, \$1,500 in reimbursements for mileage, and \$2,324 in
19 reimbursements for additional car allowances are outstanding and have not been honored and paid
20 as of the Petition Date. The Debtors are not aware of other reimbursable employee expenses that
21 have not been presented for payment yet or have not cleared the banking systems yet as of the
22 Petition Date. By this Motion, the Debtors seek authority to reimburse Employees for the
23 outstanding prepetition expenses, in order to avoid hardship for the Employees who would
24 otherwise be independently obligated to pay such amounts.

25 55. Supplemental Executive Retirement Plan (SERP).

26 a. Contingent and Unliquidated Liability. The Debtors – through WRC –
27 maintain a SERP, pursuant to which the Debtors' liability is contingent and unliquidated.
28

1 WRC is responsible for payments to certain former employees (“Beneficiaries”) until such
2 time that each of the Beneficiaries die.

3 b. Payments to Beneficiaries. Under the SERP, the Debtors currently are
4 liable to seven Beneficiaries. Prepetition, the Debtors made biweekly payments in the
5 aggregate amount of \$33,173.46 to the Beneficiaries. Early in the coronavirus pandemic,
6 the Debtors suspended those biweekly payments but recommenced them after receipt of a
7 Paycheck Protection Program (SBA) loan. As of July 16, 2020, the Debtors were current
8 on their SERP liability; however, the Debtors again suspended payments on July 17, 2020.

9 56. Payment Protection Program (“PPP”).

10 a. Application and Disbursement. The Debtors applied to JP Morgan Chase
11 (“Chase”), with whom it regularly banks, for a loan under the Payment Protection
12 Program, which was part of the CARES Act. Chase disbursed to the Debtors \$3,911,377
13 on April 13, 2020.

14 b. PPP Forgiveness Status. Throughout the first 16 weeks of the 24-week loan
15 period, the Debtors spent approximately \$2,865,925 of its PPP loan proceeds on eligible
16 liabilities, 94% \$2,696,077.17 of which the Debtors spent on payroll-related expenses.
17 Recently, the Debtors spent the balance of its PPP loan proceeds. The Debtors believe
18 they have complied with all PPP requirements and expects that it will obtain full
19 forgiveness of the PPP loan. The Debtors intend to apply for forgiveness as soon as Chase
20 opens the application period for PPP borrowers.

21 57. Trade Creditors.

22 a. Trade Creditors. As of the Petition Date, the Debtors’ outstanding liabilities
23 to trade creditors totaled approximately \$1,153,156.06, of which about 76% is owed to
24 their primary food suppliers, Sysco Los Angeles Inc., Sysco San Francisco, Inc.
25 (collectively, “Sysco”), and P&R Paper Supply Co., Inc. Prepetition, the Debtors entered
26 into a payment plan on account of their outstanding debt to Sysco. Subject to Court
27 approval, the Debtors intend to assume postpetition their payment plan with Sysco as this
28

1 vendor relationship is essential to the ongoing viability of the Business. The company-
2 owned restaurants cannot survive without ongoing deliveries of food products from Sysco.

3 b. Equipment Leases. There are a small number of equipment leases that are
4 not essential to the Debtors' operation of the Business. Accordingly, the Debtors seek
5 authorization to reject the following leases of personal property.

6 58. Other Contingent Liabilities.

7 a. Workers' Compensation and ADA Litigation. As the Debtors will disclose
8 on their Statement of Financial Affairs, there are workers' compensation claims that the
9 Debtors' insurer is handling. being handled by the companies' insurer. Similarly, the
10 Debtors currently are defending against one Americans with Disabilities Act (ADA) claim
11 and has engaged ADA Litigation Counsel to represent the Debtors in this action.
12 Additionally, the Debtors' insurers are addressing six other active general liability claims
13 that third-parties have asserted against the Debtors.

14 Utilities

15 59. As previously noted, the Debtors lease and operate the fourteen company-owned
16 Restaurant locations throughout California as well as the Support Center also located in
17 California. The Restaurants and Support Center (together, the "Leased Locations") obtain
18 electricity, natural gas, water and sewer, and trash service from local utility providers. The
19 Support Center and the Restaurants also obtain phone and/or internet service from a local utility
20 providers. Because the Restaurants and the Support Center are located in different cities, the
21 Debtors' utility-related obligations are owed to a number of different utility providers (each a
22 "Utility" and, collectively, the "Utilities"), although several utility providers deliver services to a
23 number of the Leased Properties. Approximately thirty-three Utilities provide services to the
24 Restaurants and the Support Center. The Debtors currently owe approximately \$2,790.59 on all
25 pre-petition obligations to the Utilities.

26 60. Continued provision of utility services is critical to the Debtors' operations. The
27 Restaurants and Support Center need electricity to operate, their trash service needs to continue,
28 and their water supply needs to remain on in order to keep the facilities running. Without the

1 ability to keep the Debtors' facilities open during this process, the Debtors' business operations
2 would cease causing the Debtors to lose their revenue stream, which would in turn harm their
3 creditors. Phone and internet service are also critical to maintaining business operations at all
4 locations.

5 61. The Debtors are prepared to provide each Utility with adequate assurance of
6 payment in the form of a Deposit, which is intended to equal the full amount of the cost of the
7 utility services that the Debtors estimate each applicable Lease Location will use during a
8 fourteen-day period (the "Estimated Fourteen-Day Usage"). Average monthly bills for each
9 Utility ranges from approximately \$15.00 to \$5,500. If one Utility provides utility service to more
10 than one Leased Location, then the Debtors will provide that Utility with one deposit that equals
11 the aggregate Estimated Fourteen-Day Usage for all of the Leased Locations that are served by
12 such Utility. The Debtors' estimates are based on an each Utility's most recent bill for each
13 account. Attached hereto as **Exhibit D** is a chart listing each of the Debtors' Utilities, the total
14 invoiced amount on the most recent bill on each Utility account, and the proposed Deposit based
15 on the Estimated Fourteen-Day Usage.

16 62. Nothing in the proposed Utility Order attached to the Utility Motion would require
17 the Debtors to provide a Deposit to any Utility. If the Debtors do not furnish a Deposit within the
18 30-day period following the Petition Date, the Utility may thereafter alter, refuse, or discontinue
19 service.

20 63. I believe that the relief requested in Utilities Motion is necessary and appropriate to
21 ensure a smooth transition into each of the Debtors' respective chapter 11 cases, to normalize and
22 maintain the Debtors' operations during pendency of the Cases, and to preserve and maximize
23 value of the Debtors' estates for the benefit of their creditors. If utility services at any of the
24 Restaurants or the Support Center was lost, then the Debtors would not be able to operate their
25 businesses, which would significantly reduce the assets available to their creditors. Given that the
26 Debtors are prepared to provide the Utilities with adequate assurance of payment in the form of a
27 deposit in the amount of the estimated fourteen-day usage for each Utility based on the most
28 recent Utility bills for each of the Restaurants and the Support Center prior to the Debtors' entry

1 into bankruptcy, I believe the relief requested is necessary and appropriate under the
2 circumstances.

3 **Maintenance of Customer Program**

4 64. Gift Card Program. The Debtors and their franchisees and licensees (the
5 “Franchisees”) sell Gift Cards to customers at the Restaurants and Franchise Locations through a
6 third-party vendor, Stored Value Solutions (“SVS”). SVS loads and processes the customer Gift
7 Cards and retains the customer information tied to the issued Gift Cards. When a customer
8 purchases a Gift Card at a specific restaurant location, the Franchisee for that specific Franchise
9 Location or SUSA, if the restaurant is a company-owned location, is responsible for covering the
10 redemption value for that Gift Card. When a customer redeems a Gift Card, the value from that
11 card is transferred from the appropriate account for the restaurant location where the Gift Card
12 was purchased to the appropriate revenue account for whichever restaurant location where the
13 customer redeems it. For example, a customer might purchase a Gift Card at a company-owned
14 restaurant and redeem it at a Franchise Location. In this scenario, value for the redeemed card
15 would transfer from SUSA’s Gift Card holding account to the Franchise Location’s revenue
16 account.

17 65. Additionally, the Debtors sell Gift Cards online through a third-party vendor,
18 eGifter, which in turn works in conjunction with SVS for the loading, processing, and distributing
19 of the Gift Cards and their redemption funds. The value of unredeemed gift cards purchased
20 online (the “E-Gift Cards”) is held in an account controlled by SUSA, and as is the case with the
21 Gift Cards purchased at physical restaurant locations, is transferred to the revenue account for the
22 specific restaurant location where each E-Gift Card is redeemed.

23 66. In total there are 94,094 outstanding and unredeemed active Gift Cards and E-Gift
24 Cards with an estimated total value of \$1,920,252.98. As of September 16, 2020, SUSA was
25 liable for an estimated \$174,650 for Gift Cards purchased at company-owned restaurants and an
26 estimated \$238,977.93 for E-Gift Cards making SUSA’s estimated total liability for active Gift
27 Cards and E-Gift Cards \$413,627.93. However, when a Franchisee defaults and assigns its
28 Franchise Location to the Debtors, SUSA inherits that Franchisee’s Gift Card liability. In

1 addition, there is an unknown number of deactivated Gift Cards (the “Deactivated Cards”) and
2 frozen Gift Cards (the “Frozen Cards”) for which SUSA may be liable. Five years after the date
3 of purchase of purchase, Gift Cards are deactivated; though they do not actually lose value.
4 Instead, a customer holding a Deactivated Card may contact the Debtors to issue a new Gift Card
5 in the remaining value of the Deactivated Card. Additionally, in August of 2019, SVS suffered a
6 data breach in which a hacker obtained the pin numbers for several Gift Cards. As a result, SVS
7 froze the corresponding Gift Cards. Again, customers holding Frozen Cards are entitled to contact
8 the Debtors to issue new Gift Cards to replace the Frozen Cards. The Debtors typically receive
9 less than half a dozen requests from customers each month to reissue Deactivated Cards and
10 Frozen Cards with an aggregate estimated value of less than \$200 per month. As of the Petition
11 Date, the Debtors believe their outstanding obligations on account of the unredeemed Gift Cards
12 total less than \$415,000.00. By this Motion, the Debtors seek authority to honor the unredeemed
13 Gift Cards, reissue Deactivated Cards and Frozen Cards upon individual customer requests, and
14 sell and issue new Gift Cards in the ordinary course of business.

15 67. Online Promotions. The Debtors’ run an online promotions and customer incentive
16 program through a third-party marketing and public relations vendor called Fishbowl. Fishbowl
17 regularly sends out online email promotions and coupons to the Debtors’ customers. Typical
18 email promotions include offers to customers and coupons for discounts on restaurant menu items.
19 While the Debtors are not aware of any outstanding coupons, discounts, or promotions offered to
20 customers through Fishbowl’s online marketing and email program, it is possible that some
21 promotions or coupons either have yet to expire or do not include an expiration date. By this
22 Motion, the Debtors request the authority, in their discretion, to continue to honor valid and
23 unexpired prepetition coupons or other email or online promotional offers in the ordinary course
24 of their business. Such promotional programs have been provided in the Debtors’ ordinary course
25 of their businesses and are essential for the Debtors to stay competitive in their particularly
26 distressed restaurant industry.

27 68. The relief requested regarding the Gift Card Program and online promotions is
28 essential to maintaining customer confidence and loyalty during the pendency of the Cases.

1 Absent an order authorizing the Debtors to honor these customer programs, the Debtors' customer
2 relations will be severely and irreparably harmed at a time when customer loyalty and patronage is
3 extremely critical to the Debtors, and the Debtors' ability to maximize value for the benefit of all
4 the parties in interest will be put in jeopardy.


5 69. The Debtors seek authority to continue to maintain and operate the Customer
6 Program. I believe it is necessary to continue the Customer Program in order to maintain goodwill
7 with both franchisees and customers. Without the ongoing support of both the Debtors' customers
8 and franchisees, the Debtors do not believe they will be able to effectively reorganize their
9 business.

10 70. In accordance with the sections 1187(a), 1116(1)(A), and 1116(1)(B) of the
11 Bankruptcy Code, the Debtors have attached hereto the following:

- 12 a. **Exhibit E** - Debtor's most recent balance sheet;
13 b. **Exhibit F** - Debtor's most recent federal income tax return.

14 I declare under penalty of perjury under the laws of the United States of America that the
15 foregoing is true and correct.

16 Executed on this 21st day of September, 2020, at Mission Viejo, California.

17 DocuSigned by:
18 
BEED1899CC3B46C...

19 Christopher Perkins
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Exhibit A

Sizzler USA, Inc. et al. 13-Week Cash Flow Budget

| | Week 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | TOTAL |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Starting Day | 9/21/2020 | 9/28/2020 | 10/5/2020 | 10/12/2020 | 10/19/2020 | 10/26/2020 | 11/2/2020 | 11/9/2020 | 11/16/2020 | 11/23/2020 | 11/30/2020 | 12/7/2020 | 12/14/2020 | |
| Cash Beginning (Inc. DIP Loan)¹ | 1,000,000 | 802,315 | 696,244 | 547,984 | 649,532 | 643,325 | 750,641 | 584,039 | 690,953 | 713,027 | 820,717 | 538,782 | 655,148 | 1,000,000 |
| Restaurant Sales | 259,151 | 316,418 | 316,418 | 316,418 | 316,418 | 328,385 | 328,385 | 328,385 | 328,385 | 328,385 | 346,103 | 346,103 | 346,103 | 4,205,054 |
| <i>YoY Restaurant Sales</i> | <i>47%</i> | <i>47%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>46%</i> | <i>48%</i> | <i>48%</i> | <i>48%</i> | |
| <i>Open Stores</i> | <i>13</i> | <i>13</i> | <i>13</i> | <i>16</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | <i>19</i> | |
| Franchise Rev | 102,647 | 16,156 | 18,195 | 15,683 | 97,023 | 15,271 | 17,198 | 14,824 | 99,658 | 15,686 | 17,665 | 15,227 | 104,699 | 549,931 |
| <i>Franchise YoY Sales</i> | <i>35%</i> | <i>35%</i> | <i>35%</i> | <i>35%</i> | <i>35%</i> | <i>35%</i> | <i>40%</i> | <i>40%</i> | <i>40%</i> | <i>40%</i> | <i>40%</i> | <i>40%</i> | <i>40%</i> | |
| <i>Franchise Units</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | <i>81</i> | |
| Total Revenue | 361,798 | 332,574 | 334,612 | 332,101 | 413,440 | 343,656 | 345,583 | 343,209 | 428,043 | 344,071 | 363,768 | 361,329 | 450,802 | 4,754,985 |
| Cost of Sales | 88,111 | 107,582 | 107,582 | 107,582 | 107,582 | 111,651 | 111,651 | 111,651 | 111,651 | 111,651 | 117,675 | 117,675 | 117,675 | 1,429,718 |
| Labor | 249,543 | | 97,866 | | 180,961 | | 107,744 | | 161,191 | | 107,744 | | 161,191 | 1,066,239 |
| G&A | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 29,884 | 388,491 |
| Occupancy Costs | | 29,130 | 134,202 | | | | 167,908 | | | | 292,751 | | | 623,991 |
| Other Operating Expenses ² | 62,014 | 250,433 | 91,519 | 71,519 | 71,519 | 73,278 | 73,278 | 73,278 | 73,278 | 73,278 | 75,882 | 75,882 | 75,882 | 1,141,039 |
| Total Operating Expenses | 429,553 | 417,029 | 461,053 | 208,985 | 389,945 | 214,813 | 490,465 | 214,813 | 376,003 | 214,813 | 623,936 | 223,441 | 384,632 | 4,649,479 |
| Doubtful Debt³ | 10,265 | 1,616 | 1,819 | 1,568 | 9,702 | 1,527 | 1,720 | 1,482 | 9,966 | 1,569 | 1,766 | 1,523 | 10,470 | 54,993 |
| EBITDA | (78,020) | (86,071) | (128,260) | 121,548 | 13,792 | 127,316 | (146,602) | 126,914 | 42,074 | 127,690 | (261,935) | 136,365 | 55,700 | 50,513 |
| First Day Motion Payment ⁴ | 99,665 | - | - | - | - | - | - | - | - | - | - | - | - | 99,665 |
| Trade Creditor Cure Payments | - | - | - | - | - | - | - | - | - | - | - | - | 186,695 | 186,695 |
| Landlord Cure Payments | - | - | - | - | - | - | - | - | - | - | - | - | 318,660 | 318,660 |
| Total Payments | 99,665 | - | - | - | - | - | - | - | - | - | - | - | 505,355 | 605,021 |
| Change in Cash | (177,685) | (86,071) | (128,260) | 121,548 | 13,792 | 127,316 | (146,602) | 126,914 | 42,074 | 127,690 | (261,935) | 136,365 | (449,655) | (554,507) |
| Cash End | 822,315 | 716,244 | 567,984 | 669,532 | 663,325 | 770,641 | 604,039 | 710,953 | 733,027 | 840,717 | 558,782 | 675,148 | 205,493 | 445,493 |
| Debtors Counsel | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 260,000 |
| Cash End less Debtors Counsel | 802,315 | 696,244 | 547,984 | 649,532 | 643,325 | 750,641 | 584,039 | 690,953 | 713,027 | 820,717 | 538,782 | 655,148 | 185,493 | 185,493 |

Notes

1. The DIP loan will be provide in two tranches of \$1.0MM
2. Includes Store operating expenses such as uniforms and utilities
3. Provision for doubtful debt payment from franchisees
4. Payment of employee benefits

Exhibit B

CONTRACT REJECTION SCHEDULE

| <u>Debtor</u> | <u>Contracting Party</u> | <u>Subject Premises or Property</u> | <u>Contract to Be Rejected</u> | <u>Contract Rejection Effective Date</u> |
|---------------------------------|---------------------------------|---|--|---|
| Sizzler USA Real Property, Inc. | TJM Shopping Center 05 A, L.P. | 1850 Douglas Blvd. Roseville, CA 95661 | Ground Lease dated March 26, 1987, as amended | Petition Date |
| Sizzler USA Real Property, Inc. | BLR Properties, LLC | 6631 Clay St. Jurupa Valley, CA 92509 | Real Property Lease dated May 31, 1989, as amended | Petition Date |
| Sizzler USA Restaurants, Inc. | Canon Financial Services, Inc. | Equipment listed on attached Unified Lease Agreement dated October 23, 2013 | Unified Lease Agreement dated October 23, 2013 | Petition Date |
| Sizzler USA Restaurants, Inc. | Canon Financial Services, Inc. | Equipment listed on attached Lease Agreement dated October 19, 2015 | Lease Agreement dated October 19, 2015 | Petition Date |

EXHIBIT C

DEPOSIT ACCOUNTS

| <u>Borrower</u> | <u>Financial Institution</u> | <u>Account No.</u> | <u>Description</u> | <u>Account Type</u> |
|-------------------------------|-------------------------------------|---------------------------|--|----------------------------|
| Sizzler USA Franchise, Inc. | JP Morgan Chase Bank, N.A. | *****2613 | Franchise Account | ZBA |
| Sizzler USA Franchise, Inc. | U.S. Bank, N.A. | *****7118 | Sizzler USA Franchise - Deposits | ZBA |
| Sizzler USA Restaurants, Inc. | JP Morgan Chase Bank, N.A. | *****1359 | Concentration Operating | Main Concentration Account |
| Sizzler USA Restaurants, Inc. | JP Morgan Chase Bank, N.A. | *****1805 | Credit Card Receipts | ZBA |
| Sizzler USA Restaurants, Inc. | JP Morgan Chase Bank, N.A. | *****2209 | Controlled Disbursement Account | ZBA |
| Sizzler USA Restaurants, Inc. | JP Morgan Chase Bank, N.A. | *****2010 | Production and Marketing Account | General |
| Sizzler USA Restaurants, Inc. | JP Morgan Chase Bank, N.A. | *****2569 | MMDA | Money Market Account |
| Sizzler USA Restaurants, Inc. | U.S. Bank, N.A. | *****1456 | Sizzler USA Rest. - Controlled Disbursements | ZBA |
| Sizzler USA Restaurants, Inc. | U.S. Bank, N.A. | *****7084 | Sizzler USA Rest. - Concentration | Main Concentration Account |
| Sizzler USA Restaurants, Inc. | U.S. Bank, N.A. | *****7100 | Sizzler USA Rest. - Credit Card Receipts | ZBA |

EXHIBIT D

EXHIBIT D

| Electricity Service | | | | | | | |
|------------------------------------|--------------------------|---|-------------------------------------|---------------------------------|--|---------------|---|
| Utility Company | Debtors' Location | Last Four Digits of Account Number | Last Invoiced Amount | Date of Last Invoice | Timeframe Covered by Last Invoice | Months | Estimated Two Week Deposit |
| Los Angeles Dept. of Water & Power | Western & 7th | 0000 | \$ 8,256.72 | 7/29/2020 | 05/29-07/29/20 | 2 | \$2,064.18 |
| Los Angeles Dept. of Water & Power | Airport (Manchester) | 1000 | \$ 3,243.26 | 7/24/2020 | 06/24-07/23/20 | 1 | \$1,621.63 |
| Los Angeles Dept. of Water & Power | Los Feliz | 0000 | \$ 4,723.75 | 7/14/2020 | 06/13-07/13/20 | 1 | \$2,361.88 |
| Edison | Inglewood | 6617 | \$ 4,535.50 | 9/4/2020 | 08/05-09/03/20 | 1 | \$2,267.75 |
| Edison | Pico Rivera | 6476 | \$ 4,305.76 | 9/5/2020 | 08/04-09/02/20 | 1 | \$2,152.88 |
| Edison | Santa Clarita | 3240 | \$ 1,979.04 | 8/28/2020 | 07/10-08/27/10 | 1 | \$989.52 |
| Edison | Culver City | 6518 | \$ 3,716.71 | 8/29/2020 | 07/27-08/25/20 | 1 | \$1,858.36 |
| Imperial Irrigation District | Indio | 6100 | \$ 1,206.62 | 8/12/2020 | 07/09-08/10/20 | 1 | \$603.31 |
| Edison | Redlands | 6971 | \$ 2,869.08 | 9/2/2020 | 08/03-09/01/20 | 1 | \$1,434.54 |
| Los Angeles Dept. of Water & Power | 4th & Vermont | 0000 | \$ 4,838.28 | 8/10/2020 | 07/09-08/10/20 | 1 | \$2,419.14 |
| Los Angeles Dept. of Water & Power | Van Nuys | 0000 | \$ 4,761.74 | 8/17/2020 | 07/16-08/17/20 | 1 | \$2,380.87 |
| Edison | Torrance | 6757 | \$ 3,553.06 | 8/15/2020 | 07/16-08/14/20 | 1 | \$1,776.53 |
| San Diego Gas & Electric | San Diego | 361 0 | \$ 5,572.57 | 9/1/2020 | 07/29-08/30/20 | 1 | \$2,786.29 |
| City of Roseville | Roseville | 1543 | \$ 3,315.27 | 8/10/2020 | 07/10-08/10/20 | 1 | \$1,657.64 |
| Edison | Palmdale | 5386 | \$ 3,053.85 | 8/14/2020 | 07/15-08/13/20 | 1 | \$1,526.93 |
| Edison | Test Kitchen | 9597 | \$ 4,409.47 | 8/6/2020 | 07/07-08/05/20 | 1 | \$2,204.74 |

| Gas Service | | | | | | | |
|-------------------------------|---------------------------------|--|--|--|---|----------------------|--|
| <u>Utility Company</u> | <u>Debtors' Location</u> | <u>Last Four Digits of Account Number</u> | <u>Last Invoiced Amount</u> | <u>Date of Last Invoice</u> | <u>Timeframe Covered by Last Invoice</u> | <u>Months</u> | <u>Estimated Two Week Deposit</u> |
| The Gas Company | Western & 7th | 018 5 | \$ 634.03 | 8/14/2020 | 07/14-08/12/20 | 1 | \$317.02 |
| The Gas Company | Airport (Manchester) | 824 0 | \$ 638.83 | 9/4/2020 | 08/04-09/02/20 | 1 | \$319.42 |
| The Gas Company | Los Feliz | 778 6 | \$ 669.60 | 8/16/2020 | 07/16-08/14/20 | 1 | \$334.80 |
| The Gas Company | Inglewood | 855 3 | \$ 242.15 | 9/4/2020 | 08/04-09/02/20 | 1 | \$121.08 |
| The Gas Company | Pico Rivera | 480 2 | \$ 637.98 | 8/26/2020 | 07/24-08/24-20 | 1 | \$318.99 |
| The Gas Company | Santa Clarita | 860 7 | \$ 14.30 | 8/25/2020 | 07/23-08/21/20 | 1 | \$7.15 |
| The Gas Company | Culver City | 931 5 | \$ 677.91 | 8/27/2020 | 07/27-08/25-20 | 1 | \$338.96 |
| The Gas Company | Indio | 057 6 | \$ 84.95 | 8/20/2020 | 07/20-08/18/20 | 1 | \$42.48 |
| The Gas Company | Redlands | 961 8 | \$ 44.74 | 8/21/2020 | 07/21-08/19/20 | 1 | \$22.37 |
| The Gas Company | 4th & Vermont | 854 4 | \$ 798.99 | 8/20/2020 | 07/20-08/18/20 | 1 | \$399.50 |
| The Gas Company | Van Nuys | 460 4 | \$ 639.73 | 8/21/2020 | 07/21-08/19/20 | 1 | \$319.87 |
| The Gas Company | Torrance | 456 2 | \$ 722.61 | 8/19/2020 | 07/17-08/17/20 | 1 | \$361.31 |
| San Diego Gas & Electric | San Diego | 361 0 | \$ 5,572.57 | 9/1/2020 | 07/29-08/30/20 | 1 | \$2,786.29 |
| PG&E - Pacific Gas & Electric | Roseville | 360-2 | \$ 1,007.52 | 8/14/2020 | 07/07-08/04/20 | 1 | \$503.76 |
| The Gas Company | Palmdale | 802 0 | \$ 651.25 | 8/31/2020 | 07/29-08/27/20 | 1 | \$325.63 |
| The Gas Company | Test Kitchen | 820 6 | \$ 17.69 | 8/10/2020 | 07/08-08/06/20 | 1 | \$8.85 |
| The Gas Company | Carson | 445 7 | \$ 586.65 | 8/24/2020 | 07/22-08/20/20 | 1 | \$293.33 |

| Water and Sewer Service | | | | | | | |
|------------------------------------|---------------------------------|--|--|--|---|----------------------|--|
| <u>Utility Company</u> | <u>Debtors' Location</u> | <u>Last Four Digits of Account Number</u> | <u>Last Invoiced Amount</u> | <u>Date of Last Invoice</u> | <u>Timeframe Covered by Last</u> | <u>Months</u> | <u>Estimated Two Week Deposit</u> |
| Los Angeles Dept. of Water & Power | Western & 7th | 0000 | \$ 853.21 | 7/29/2020 | 05/29-07/29/20 | 1 | \$426.61 |
| Los Angeles Dept. of Water & Power | Airport (Manchester) | 1000 | \$ 328.16 | 7/24/2020 | 06/24-07/23/20 | 1 | \$164.08 |
| Los Angeles Dept. of Water & Power | Los Feliz | 0000 | \$ 868.93 | 7/14/2020 | 06/13-07/13/20 | 1 | \$434.47 |
| City of Inglewood | Inglewood | 00-13 | \$ 366.92 | 8/19/2020 | 07/15-08/14/20 | 1 | \$183.46 |
| Pico Water District | Pico Rivera | 30-01 | \$ 135.62 | 9/1/2020 | 07/14-08/13/20 | 1 | \$67.81 |
| SCV - Santa Clarita Valley Water | Santa Clarita | 27-01 | \$ 139.53 | 9/6/2020 | 07/24-08/21/2020 | 1 | \$69.77 |
| Golden State Water Company | Culver City | 0005 | \$ 386.91 | 8/26/2020 | 07/24-08/25/20 | 1 | \$193.46 |
| Indio Water Authority | Indio | 1452 | \$ 379.21 | 8/31/2020 | 07/23-08/20/20 | 1 | \$189.61 |
| City of Redlands | Redlands | 0.301 | \$ 1,478.99 | 7/30/2020 | 05/12-07/14-20 | 2 | \$369.75 |
| Los Angeles Dept. of Water & Power | 4th & Vermont | 0000 | \$ 589.48 | 8/10/2020 | 07/09-08/10/20 | 1 | \$294.74 |
| Los Angeles Dept. of Water & Power | Van Nuys | 0000 | \$ 569.52 | 8/17/2020 | 07/16-08/17/20 | 1 | \$284.76 |
| City of Torrance Utilities | Torrance | 6041 | \$ 12.85 | 8/19/2020 | 06/08-08/10/20 | 2 | \$3.21 |
| City of San Diego Public Utilities | San Diego | 6859 | \$ 644.29 | 8/13/2020 | 06/12-08/11/20 | 2 | \$161.07 |
| City of Roseville | Roseville | 1543 | \$ 511.06 | 8/10/2020 | 07/10-08/10/20 | 1 | \$255.53 |
| LA County Public Works | Palmdale | 9397 | \$ 425.14 | 7/13/2020 | 05/12-07/13/20 | 2 | \$106.29 |
| Calwater | Carson | 3391 | \$ 256.48 | 7/21/2020 | 07/10-08/10/20 | 1 | \$128.24 |

| Trash Service | | | | | | | |
|-------------------------------|---------------------------------|--|---|--|---|----------------------|--|
| <u>Utility Company</u> | <u>Debtors' Location</u> | <u>Last Four Digits of Account Number</u> | <u>Last Invoice Amount</u> | <u>Date of Last Invoice</u> | <u>Timeframe Covered by Last Invoice</u> | <u>Months</u> | <u>Estimated Two Week Deposit</u> |
| Athens Services | Western & 7th | 4181 | \$ 905.42 | 8/1/2020 | 08/01-08/31/20 | 1 | \$452.71 |
| Athens Services | Airport (Manchester) | 7654 | \$ 682.34 | 8/1/2020 | 08/01-08/31/20 | 1 | \$341.17 |
| Universal Waste System | Los Feliz | 5859 | \$ 398.40 | 9/4/2020 | 09/01-09-30/20 | 1 | \$199.20 |
| City of Inglewood | Inglewood | 00-13 | \$ 640.36 | 8/19/2020 | 07/15-08/14/20 | 1 | \$320.18 |
| Nasa Services | Pico Rivera | 412 | \$ 186.21 | 9/1/2020 | 09/01-09-30/20 | 1 | \$93.11 |
| City of Culver City | Culver City | 1821 | \$ 214.83 | 9/1/2020 | 09/01-09/30/20 | 1 | \$107.42 |
| Burrtec Waste & Recycling | Indio | 9351 | \$ 167.66 | 9/1/2020 | 09/01-09/30/20 | 1 | \$83.83 |
| City of Redlands | Redlands | 0.301 | \$ 1,185.28 | 7/30/2020 | 05/12-07/14-20 | 2 | \$296.32 |
| Athens Services | 4th & Vermont | 4182 | \$ 1,631.92 | 8/1/2020 | 08/01-08/31/20 | 1 | \$815.96 |
| Republic Services | Van Nuys | 985 | \$ 677.01 | 8/23/2020 | 09/01-09/30/20 | 1 | \$338.51 |
| Key Disposal & Recycling | Torrance | 5233 | \$ 391.92 | 8/1/2020 | 08/01-08/31/20 | 1 | \$195.96 |
| EDCO Disposal | San Diego | 8647 | \$ 344.67 | 9/1/2020 | 09/01-09/30/20 | 1 | \$172.34 |
| City of Roseville | Roseville | 1543 | \$ 803.04 | 8/10/2020 | 07/10-08/10/20 | 1 | \$401.52 |
| Waste Management | Palmdale | 3002 | \$ 286.59 | 9/1/2020 | 09/01-09/30/20 | 1 | \$143.30 |
| Waste Resources Carson | Carson | 8093 | \$ 962.50 | 9/1/2020 | 09/01-09/30/20 | 1 | \$481.25 |

Internet and Phone Service

| <u>Utility Company</u> | <u>Debtors' Location</u> | <u>Last Four Digits of Account Number</u> | <u>Last Invoice Amount</u> | <u>Date of Last Invoice</u> | <u>Timeframe Covered by Last Invoice</u> | <u>Months</u> | <u>Estimated Two Week Deposit</u> |
|-------------------------|--------------------------|---|------------------------------------|-------------------------------------|--|---------------|---|
| ACC Business | Carson | 2961 | \$604.54 | 08/27/20 | 07/11-08/10/20 | 1 | \$302.27 |
| ACC Business | 4th & Vermont | 5473 | \$455.60 | 08/27/20 | 07/11-08/10/20 | 1 | \$227.80 |
| ATT (autopay) | Western & 7th | 2837 | \$58.85 | 08/31/20 | 09/01-09/30/20 | 1 | \$29.43 |
| ATT | San Diego | 8808 | \$80.25 | 08/16/20 | 09/01-09/30/20 | 1 | \$40.13 |
| AT&T | Madero | 9537 | \$603.43 | 08/11/20 | 08/11-09/10/20 | 1 | \$301.72 |
| AT&T | Santa Clarita | 9537 | \$461.54 | 08/11/20 | 08/11-09/10/20 | 1 | \$230.77 |
| ATT (autopay) | Van Nuys | 7985 | \$58.85 | 08/08/20 | 08/01-08/31/2020 | 1 | \$29.43 |
| Frontier Communications | Pico Rivera | 918-5 | \$159.99 | 09/10/20 | 09/10-10/09/2020 | 1 | \$80.00 |
| Frontier Communications | Indio | 613-5 | \$127.99 | 09/07/20 | 09/07-10/06/20 | 1 | \$64.00 |
| Frontier Communications | Redlands | 718-5 | \$275.94 | 09/01/20 | 09/01-09/30/20 | 1 | \$137.97 |
| Spectrum Business | Palmdale | 0353 | \$197.89 | 09/05/20 | 09/05-10/04/20 | 1 | \$98.95 |
| Spectrum Business | Airport (Manchester) | 2301 | \$134.98 | 09/01/20 | 09/01-09/30/20 | 1 | \$67.49 |
| Spectrum Business | Pico Rivera | 4301 | \$134.98 | 09/01/20 | 09/01-09/30/20 | 1 | \$67.49 |
| Spectrum Business | Los Feliz | 4501 | \$154.98 | 09/01/20 | 09/01-09/30/20 | 1 | \$77.49 |
| Spectrum Business | Culver City | 3001 | \$134.98 | 09/01/20 | 09/01-09/30/20 | 1 | \$67.49 |
| Spectrum Business | Torrance | 5701 | \$134.98 | 09/01/20 | 09/01-09/30/20 | 1 | \$67.49 |

EXHIBIT E

EXHIBIT E

SIZZLER USA -- BALANCE SHEET

| | FY 2021- P4 |
|--|-------------------|
| | 05/04/20-08/23/20 |
| ASSETS: | |
| Current Assets | |
| Cash & Cash Equivalents | (810,951) |
| Trade receivables, net of allowance | 853,910 |
| Inventory | 96,350 |
| Prepaid expenses and other | 33,532 |
| Total Current Assets | 423,632 |
| Non-Current Assets | |
| Property and Equipment, Net | 2,998,250 |
| Notes receivable and other assets, net | 88,670 |
| Intangible assets, net | 2,751,083 |
| Total Non-Current Assets | 5,838,004 |
| Total Assets | 6,261,635 |
| Current Liabilities | |
| Trade payables | 954,980 |
| Accrued expenses | 1,383,552 |
| Current portion of long-term debt | 2,121,511 |
| Pension liability - current | 846,852 |
| Current portion of deferred revenue and rent | 54,654 |
| Total current liabilities | 5,361,550 |
| Non-Current Liabilities | |
| Long-term debt, net of current portion | 5,091,471 |
| Pension liability, net of current portion | 5,213,238 |
| Deferred revenue and rent | 1,171,851 |
| Total non-current liabilities | 11,476,559 |
| Total Liabilities | 16,838,109 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | |
| Stockholders' deficit | |
| Common Stock | 1,927,500 |
| Paid-in capital | 81,815,339 |
| Total Notes Receivable | (520,000) |
| Minority Interest | 105,485 |
| Accumulated deficit | (92,571,272) |
| Accumulated other comprehensive loss | (1,333,525) |
| Total Shareholders' deficit | (10,576,473) |
| Total Liabilities & Shareholders' Deficit | 6,261,635 |
| Current Ratio | 0.08 |

EXHIBIT F

EXHIBIT F

SIZZLER USA ACQUISITION, INC.
Instructions for Filing
Form 8879-C
IRS e-file Signature Authorization for Form 1120
for the year ended April 28, 2019

The original form should be signed (using full name and title) and dated by an authorized officer of the corporation.

The signed form should be returned on or before February 18, 2020 to:

GRIGORIAN & ASSOCIATES, INC.
15910 VENTURA BLVD., SUITE 1000
ENCINO, CA 91436

Although there is no tax for the current year, estimated tax payments may be required in order to avoid an underpayment penalty next year.

Do NOT separately file Form 1120 with the Internal Revenue Service. Doing so will delay the processing of your return.

We must receive your signed form before we can electronically transmit your return. The Internal Revenue Service will notify us when your return is accepted. Your return is not considered filed until the Internal Revenue Service confirms their acceptance.

SIZZLER USA ACQUISITION, INC.
Instructions for Filing
Form 7004
Application for Automatic Extension of Time to File
Corporation Income Tax Return
for the year ended April 28, 2019

We have electronically filed your extension.

There is no tax due with the application.

Do NOT separately file Form 7004 with the Internal Revenue Service. Doing so will delay the processing of your extension.

The Internal Revenue Service will notify us when your extension is accepted. Your extension is not considered filed until the Internal Revenue Service confirms their acceptance, which may occur after the due date of your extension.

CARRYOVERS TO NEXT YEAR
=====

| | |
|--------------------------------|-------------|
| NON-SRLY NOL | 3,174,335. |
| SEC. 382 NOL | 25,986,207. |
| CHARITABLE CONTRIBUTIONS | 22,979. |
| SEC. 1231 LOSSES | 360,131. |

Form **8879-C****IRS e-file Signature Authorization for Form 1120**

OMB No. 1545-0123

For calendar year 2018, or tax year beginning 04/30/2018, ending 04/28/2019**2018**Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.

▶ Go to www.irs.gov/Form8879C for the latest information.

Name of corporation

SIZZLER USA ACQUISITION, INC.

Employer identification number

45-2381895**Part I Tax Return Information** (Whole dollars only)

| | | | |
|---|-------------------------------------|---|-------------|
| 1 | Total income (Form 1120, line 11) | 1 | 20,260,599. |
| 2 | Taxable income (Form 1120, line 30) | 2 | -517,446. |
| 3 | Total tax (Form 1120, line 31) | 3 | NONE |
| 4 | Amount owed (Form 1120, line 35) | 4 | NONE |
| 5 | Overpayment (Form 1120, line 36) | 5 | NONE |

Part II Declaration and Signature Authorization of Officer. Be sure to get a copy of the corporation's return.

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2018 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize GRIGORIAN & ASSOCIATES, INC. to enter my PIN 8 3 1 3 6 as my signature
ERO firm name do not enter all zeros
 on the corporation's 2018 electronically filed income tax return.

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2018 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ _____ Title ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 9 | 5 | 4 | 5 | 1 | 5 | 4 | 1 | 2 | 1 | 1 |
|---|---|---|---|---|---|---|---|---|---|---|

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2018)

A Check if:

- 1a Consolidated return (attach Form 851) ☒ **X**
b Life/nonlife consolidated return ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (see instructions) ☐

4 Schedule M-3 attached ☒ **X**

| | |
|---|--|
| TYPE OR PRINT | Name |
| | SIZZLER USA ACQUISITION, INC. |
| | Number, street, and room or suite no. If a P.O. box, see instructions. |
| | 25910 ACERO ROAD, SUITE 350 |
| City or town, state, or province, country, and ZIP or foreign postal code | |
| MISSION VIEJO, CA 92691 | |

| | |
|--|---------------|
| B Employer identification number | 45-2381895 |
| C Date incorporated | 05/27/2011 |
| D Total assets (see instructions) | \$ 8,528,948. |

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

| | | | | |
|--|--|--------------------|--------------------|-------------|
| Income | 1 a Gross receipts or sales | 1a | 30,373,661. | |
| | b Returns and allowances | 1b | | |
| | c Balance. Subtract line 1b from line 1a | 1c | 30,373,661. | |
| | 2 Cost of goods sold (attach Form 1125-A) | 2 | 17,669,358. | |
| | 3 Gross profit. Subtract line 2 from line 1c | 3 | 12,704,303. | |
| | 4 Dividends and inclusions (Schedule C, line 23, column (a)) | 4 | | |
| | 5 Interest | 5 | | |
| | 6 Gross rents | 6 | 63,288. | |
| | 7 Gross royalties | 7 | 7,486,807. | |
| | 8 Capital gain net income (attach Schedule D (Form 1120)) | 8 | | |
| | 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) | 9 | -22,297. | |
| 10 Other income (see instructions - attach statement) | 10 | SEE. STATEMENT. 3. | 28,498. | |
| 11 Total income. Add lines 3 through 10 | 11 | | 20,260,599. | |
| Deductions (See instructions for limitations on deductions.) | 12 Compensation of officers (see instructions - attach Form 1125-E) | 12 | | |
| | 13 Salaries and wages (less employment credits) | 13 | 6,201,870. | |
| | 14 Repairs and maintenance | 14 | | |
| | 15 Bad debts | 15 | 130,956. | |
| | 16 Rents | 16 | 2,863,137. | |
| | 17 Taxes and licenses | 17 | SEE. STATEMENT. 4. | 1,525,404. |
| | 18 Interest (see instructions) | 18 | 157,646. | |
| | 19 Charitable contributions | 19 | SEE. STATEMENT. 6. | NONE |
| | 20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) | 20 | 1,028,431. | |
| | 21 Depletion | 21 | | |
| | 22 Advertising | 22 | | |
| | 23 Pension, profit-sharing, etc., plans | 23 | | |
| | 24 Employee benefit programs | 24 | 1,155,242. | |
| | 25 Reserved for future use | 25 | | |
| | 26 Other deductions (attach statement) | 26 | SEE. STATEMENT. 8. | 7,715,359. |
| | 27 Total deductions. Add lines 12 through 26 | 27 | | 20,778,045. |
| | 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 | 28 | | -517,446. |
| 29 a Net operating loss deduction (see instructions) | 29a | NONE | STMT 10 | |
| b Special deductions (Schedule C, line 24, column (c)) | 29b | | | |
| c Add lines 29a and 29b | 29c | | | NONE |
| Tax, Refundable Credits, and Payments | 30 Taxable income. Subtract line 29c from line 28. See instructions | 30 | -517,446. | |
| | 31 Total tax (Schedule J, Part I, line 11) | 31 | NONE | |
| | 32 2018 net 965 tax liability paid (Schedule J, Part II, line 12) | 32 | | |
| | 33 Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23) | 33 | NONE | |
| | 34 Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/> | 34 | | |
| | 35 Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed | 35 | NONE | |
| | 36 Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid | 36 | NONE | |
| 37 Enter amount from line 36 you want: Credited to 2019 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/> | 37 | | NONE | |

Sign Here ▶ Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below?
See instructions. ☒ **X** Yes ☐ No


| | | | | | |
|-------------------------------|--|-------------------------|-----------|---|-----------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | EDMOND GRIGORIAN | | | | P00312276 |
| | Firm's name ▶ GRIGORIAN & ASSOCIATES, INC. | Firm's EIN ▶ 81-4886611 | Phone no. | 310-820-1055 | |
| | Firm's address ▶ 15910 VENTURA BLVD., SUITE 1000 ENCINO, CA 91436 | | | | |

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120** (2018)

| Schedule C Dividends, Inclusions, and Special Deductions (see instructions) | (a) Dividends and inclusions | (b) % | (c) Special deductions (a) x (b) |
|--|------------------------------|------------------|----------------------------------|
| 1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | | 50 | |
| 2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | | 65 | |
| 3 Dividends on certain debt-financed stock of domestic and foreign corporations | | see instructions | |
| 4 Dividends on certain preferred stock of less-than-20%-owned public utilities | | 23.3 | |
| 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities | | 26.7 | |
| 6 Dividends from less-than-20%-owned foreign corporations and certain FSCs | | 50 | |
| 7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs | | 65 | |
| 8 Dividends from wholly owned foreign subsidiaries | | 100 | |
| 9 Subtotal. Add lines 1 through 8. See instructions for limitations | | see instructions | |
| 10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | | 100 | |
| 11 Dividends from affiliated group members | | 100 | |
| 12 Dividends from certain FSCs | | 100 | |
| 13 Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions) | | 100 | |
| 14 Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends) | | | |
| 15 Section 965(a) inclusion | | see instructions | |
| 16 a Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions) | | 100 | |
| b Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions) | | | |
| c Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions) | | | |
| 17 Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992) | | | |
| 18 Gross-up for foreign taxes deemed paid | | | |
| 19 IC-DISC and former DISC dividends not included on line 1, 2, or 3 | | | |
| 20 Other dividends | | | |
| 21 Deduction for dividends paid on certain preferred stock of public utilities | | | |
| 22 Section 250 deduction (attach Form 8993) | | | |
| 23 Total dividends and inclusions. Add lines 9 through 20. Enter here and on page 1, line 4 | | | |
| 24 Total special deductions. Add lines 9 through 22, column (c). Enter here and on page 1, line 29b | | | |

Schedule J Tax Computation and Payment (see instructions)**Part I-Tax Computation**

| | | | |
|-----------|--|-----------|------|
| 1 | Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See instructions  | | |
| 2 | Income tax. See instructions | 2 | |
| 3 | Base erosion minimum tax (attach Form 8991) | 3 | |
| 4 | Add lines 2 and 3 | 4 | |
| 5a | Foreign tax credit (attach Form 1118) | 5a | NONE |
| b | Credit from Form 8834 (see instructions) | 5b | |
| c | General business credit (attach Form 3800) | 5c | |
| d | Credit for prior year minimum tax (attach Form 8827) | 5d | |
| e | Bond credits from Form 8912 | 5e | |
| 6 | Total credits. Add lines 5a through 5e | 6 | NONE |
| 7 | Subtract line 6 from line 4 | 7 | NONE |
| 8 | Personal holding company tax (attach Schedule PH (Form 1120)) | 8 | |
| 9a | Recapture of investment credit (attach Form 4255) | 9a | |
| b | Recapture of low-income housing credit (attach Form 8611) | 9b | |
| c | Interest due under the look-back method - completed long-term contracts (attach Form 8697) | 9c | |
| d | Interest due under the look-back method - income forecast method (attach Form 8866) | 9d | |
| e | Alternative tax on qualifying shipping activities (attach Form 8902) | 9e | |
| f | Other (see instructions - attach statement) | 9f | |
| 10 | Total. Add lines 9a through 9f | 10 | |
| 11 | Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31 | 11 | NONE |

Part II-Section 965 Payments (see instructions)

| | | | |
|-----------|---|-----------|--|
| 12 | 2018 net 965 tax liability paid from Form 965-B, Part II, column (k), line 2. Enter here and on page 1, line 32 | 12 | |
|-----------|---|-----------|--|

Part III-Payments, Refundable Credits, and Section 965 Net Tax Liability

| | | | |
|-----------|--|------------|------|
| 13 | 2017 overpayment credited to 2018 | 13 | |
| 14 | 2018 estimated tax payments | 14 | |
| 15 | 2018 refund applied for on Form 4466 | 15 | () |
| 16 | Combine lines 13, 14, and 15 | 16 | |
| 17 | Tax deposited with Form 7004 | 17 | NONE |
| 18 | Withholding (see instructions) | 18 | |
| 19 | Total payments. Add lines 16, 17, and 18 | 19 | NONE |
| 20 | Refundable credits from: | | |
| a | Form 2439 | 20a | |
| b | Form 4136 | 20b | |
| c | Form 8827, line 8c | 20c | |
| d | Other (attach statement - see instructions) | 20d | |
| 21 | Total credits. Add lines 20a through 20d | 21 | |
| 22 | 2018 net 965 tax liability from Form 965-B, Part I, column (d), line 2. See instructions | 22 | |
| 23 | Total payments, credits, and section 965 net tax liability. Add lines 19, 21, and 22. Enter here and on page 1, line 33 | 23 | NONE |

Form **1120** (2018)

Schedule K Other Information (see instructions)

| | | | |
|---|---|-----|----|
| 1 | Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | Yes | No |
| 2 | See the instructions and enter the: | | |
| a | Business activity code no. ▶ <u>722210</u> | | |
| b | Business activity ▶ <u>RESTAURANT</u> | | |
| c | Product or service ▶ <u>FOOD</u> | | |
| 3 | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____ | | X |
| 4 | At the end of the tax year: | | |
| a | Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G) | X | |
| b | Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) | X | |
| 5 | At the end of the tax year, did the corporation: | | |
| a | Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. | | X |

| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage Owned in Voting Stock |
|-------------------------|--|--------------------------------|---------------------------------------|
| | | | |
| | | | |
| | | | |

| | | | |
|---|---|--|---|
| b | Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. | | X |
|---|---|--|---|

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Country of Organization | (iv) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|-------------------------------|---|
| | | | |
| | | | |
| | | | |

| | | | |
|----|--|---|---|
| 6 | During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316 If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary. | | X |
| 7 | At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned ▶ <u>56.850</u> and (b) Owner's country ▶ <u>AS</u> (c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ <u>1</u> | X | |
| 8 | Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 9 | Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ | | |
| 10 | Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____ | | |
| 11 | If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ▶ <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid. | | |
| 12 | Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ <u>52,979,204.</u> | | |

Schedule K Other Information (continued from page 4)

| | Yes | No |
|--|-----|----|
| 13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000? | | X |
| If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ► \$ _____ | | |
| 14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions | | X |
| If "Yes," complete and attach Schedule UTP. | | |
| 15 a Did the corporation make any payments in 2018 that would require it to file Form(s) 1099? | X | |
| b If "Yes," did or will the corporation file required Forms 1099? | X | |
| 16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? | | X |
| 17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? | | X |
| 18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? | | X |
| 19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code? | | X |
| 20 Is the corporation operating on a cooperative basis? | | X |
| 21 During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions | | X |
| If "Yes," enter the total amount of the disallowed deductions ► \$ _____ | | |
| 22 Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3)) | | X |
| If "Yes," complete and attach Form 8991. | | |
| 23 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions | | X |
| 24 Does the corporation satisfy one of the following conditions and the corporation does not own a pass-through entity with current year, or prior year carryover, excess business interest expense? See instructions | | X |
| a The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the corporation is not a tax shelter, or | | |
| b The corporation only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7). | | |
| If "No," complete and attach Form 8990. | | |
| 25 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? | | X |
| If "Yes," enter amount from Form 8996, line 13 ► \$ _____ | | |

Form **1120** (2018)

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|---|--|-----------------------|--------------|-----------------|--------------|
| Assets | | (a) | (b) | (c) | (d) |
| 1 | Cash | | 351,511. | | 801,733. |
| 2a | Trade notes and accounts receivable . . | 1,128,355. | | 1,120,170. | |
| b | Less allowance for bad debts | () | 1,128,355. | () | 1,120,170. |
| 3 | Inventories | | 115,583. | | 123,949. |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) . | | | | |
| 6 | Other current assets (attach statement) . | STMT 19 | 414,658. | | 251,203. |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach statement) . . | | | | |
| 10a | Buildings and other depreciable assets . . | 13,765,614. | | 14,297,222. | |
| b | Less accumulated depreciation | (11,787,382.) | 1,978,232. | (12,395,177.) | 1,902,045. |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | 435,785. | | 435,785. |
| 13a | Intangible assets (amortizable only) . . | 14,623,978. | | 14,623,978. | |
| b | Less accumulated amortization | (10,645,436.) | 3,978,542. | (11,177,335.) | 3,446,643. |
| 14 | Other assets (attach statement) | STMT 20 | 506,803. | | 447,420. |
| 15 | Total assets | | 8,909,469. | | 8,528,948. |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 900,135. | | 1,337,229. |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | 1,677,002. | | 2,328,002. |
| 18 | Other current liabilities (attach statement) . | STMT 21 | 2,950,228. | | 3,299,891. |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | STMT 22 | 1,457,042. | | 862,787. |
| 21 | Other liabilities (attach statement) | STMT 23 | 7,370,367. | | 7,096,155. |
| 22 | Capital stock: a Preferred stock | | | | |
| | b Common stock | 1,927,500. | 1,927,500. | 1,927,500. | 1,927,500. |
| 23 | Additional paid-in capital | | 77,975,491. | | 77,975,491. |
| 24 | Retained earnings - Appropriated (attach statement) . | STMT 24 | -2,114,814. | | -2,461,038. |
| 25 | Retained earnings - Unappropriated | | -82,818,967. | | -83,422,554. |
| 26 | Adjustments to shareholders' equity (attach statement) | STMT 24 | -414,515. | | -414,515. |
| 27 | Less cost of treasury stock | | () | | () |
| 28 | Total liabilities and shareholders' equity . | | 8,909,469. | | 8,528,948. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

| | | | | | |
|---|---|--|----|--|--|
| 1 | Net income (loss) per books | | 7 | Income recorded on books this year not included on this return (itemize): | |
| 2 | Federal income tax per books | | | Tax-exempt interest \$ | |
| 3 | Excess of capital losses over capital gains | | | | |
| 4 | Income subject to tax not recorded on books this year (itemize): | | | | |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | 8 | Deductions on this return not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Charitable contributions . \$ | | b | Charitable contributions . \$ | |
| c | Travel and entertainment . \$ | | | | |
| 6 | Add lines 1 through 5 | | 9 | Add lines 7 and 8 | |
| | | | 10 | Income (page 1, line 28) - line 6 less line 9 | |

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

| | | | | | |
|---|--|--------------|---|---|--------------|
| 1 | Balance at beginning of year | -82,818,967. | 5 | Distributions: a Cash | |
| 2 | Net income (loss) per books | -607,565. | | b Stock | |
| 3 | Other increases (itemize): | | | c Property | |
| | SEE STATEMENT 28 | 3,978. | 6 | Other decreases (itemize): | |
| 4 | Add lines 1, 2, and 3 | -83,422,554. | 7 | Add lines 5 and 6 | |
| | | | 8 | Balance at end of year (line 4 less line 7) | -83,422,554. |

**SCHEDULE G
(Form 1120)**(Rev. December 2011)
Department of the Treasury
Internal Revenue Service**Information on Certain Persons Owning the
Corporation's Voting Stock**▶ Attach to Form 1120.
▶ See instructions on page 2.

OMB No. 1545-0123

| | |
|-------------------------------|--------------------------------------|
| Name | Employer identification number (EIN) |
| SIZZLER USA ACQUISITION, INC. | 45-2381895 |

Part I **Certain Entities Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Percentage Owned in Voting Stock |
|-------------------------------------|--|----------------------|------------------------------|--------------------------------------|
| PERKINS U.S. FINANCIAL SERVICES LTD | FOREIGNUS | CORPORATION | AS | 56.850 |
| | | | | |
| | | | | |
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Part II **Certain Individuals and Estates Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4b). Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

| (i) Name of Individual or Estate | (ii) Identifying Number (if any) | (iii) Country of Citizenship (see instructions) | (iv) Percentage Owned in Voting Stock |
|-----------------------------------|----------------------------------|---|---------------------------------------|
| PERKINS US FINANCIAL SERVICES PTY | FOREIGNUS | AS | 56.850 |
| | | | |
| | | | |
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**SCHEDULE B
(Form 1120)**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service**Additional Information for Schedule M-3 Filers**▶ **Attach to Form 1120.**▶ **Go to www.irs.gov/Form1120 for the latest information.**

OMB No. 1545-0123

| Name | Employer identification number (EIN) |
|--------------------------------|--------------------------------------|
| SIZZLER USA ACQUISITION | 45-2381895 |

| | Yes | No |
|---|-----|----|
| 1 Does any amount reported on Schedule M-3 (Form 1120), Part II, line 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership? | | X |
| 2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)? | | X |
| 3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)? | | X |
| 4a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations? | | X |
| b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471? | | X |
| 5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of "change in accounting principle" | | X |
| 6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes? | | X |
| 7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits? | | X |
| 8 At any time during the tax year, did the corporation use an allocation method for indirect costs capitalized to self-constructed assets that varied from its financial method of accounting? | | X |
| 9 At any time during the tax year, did the corporation treat for tax purposes indirect costs, as defined in Regulations sections 1.263A-1(e)(3)(ii)(F), (G), and (H), as mixed-service costs, as defined in Regulations section 1.263A-1(e)(4)(ii)(C)? | | X |
| 10 Did the corporation, under section 118 or 362(c) and the related regulations, take a return filing position characterizing any amount as a contribution to the capital of the corporation during the tax year by any nonshareholders? Amounts so characterized may include, without limitation, incentives, inducements, money, and property. | | X |

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule B (Form 1120) (Rev. 12-2018)

Affiliations Schedule

For tax year ending 04/28/2019

OMB No. 1545-0123

► **File with each consolidated income tax return.**

► **Information about Form 851 and its instructions is at www.irs.gov/form851.**

| | |
|--|---|
| Name of common parent corporation SIZZLER USA ACQUISITION | Employer identification number 45-2381895 |
| Number, street, and room or suite no. If a P.O. box, see instructions. 25910 ACERO ROAD, SUITE 350 | |
| City or town, state, and ZIP code MISSION VIEJO, CA 92691 | |

Part I Overpayment Credits, Estimated Tax Payments, and Tax Deposits (see instructions)

| Corp. No. | Name and address of corporation | Employer identification number | Portion of overpayment credits and estimated tax payments | Portion of tax deposited with Form 7004 |
|--|---|--------------------------------|---|---|
| 1 | Common parent corporation | | | |
| 2 | Subsidiary corporations: US HOLDCO, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 98-0457001 | | |
| 3 | SIZZLER USA FINANCE, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 98-0457004 | | |
| 4 | WORLDWIDE RESTAURANT CONCEPTS, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4307254 | | |
| 5 | SIZZLER USA, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4632165 | | |
| 6 | SIZZLER USA FRANCHISE, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4632167 | | |
| 7 | SIZZLER USA REAL PROPERTY, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4532171 | | |
| Totals (Must equal amounts shown on the consolidated tax return.) | | | | |

Part II Principal Business Activity, Voting Stock Information, Etc. (see instructions)

| Corp. No. | Principal business activity (PBA) | PBA Code No. | Did the subsidiary make any nondividend distributions? | | Stock holdings at beginning of year | | | |
|-----------|---|--------------|--|----|-------------------------------------|----------------------------|---------------------|--------------------------|
| | | | Yes | No | Number of shares | Percentage of voting power | Percentage of value | Owned by corporation no. |
| 1 | Common parent corporation RESTAURANT | 722210 | | | | | | |
| 2 | Subsidiary corporations: RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 1 |
| 3 | RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 2 |
| 4 | RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 2 |
| 5 | RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 4 |
| 6 | RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 5 |
| 7 | RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 5 |

Affiliations Schedule

For tax year ending 04/28/2019

OMB No. 1545-0123

► **File with each consolidated income tax return.**

► **Information about Form 851 and its instructions is at www.irs.gov/form851.**

| | |
|--|---|
| Name of common parent corporation SIZZLER USA ACQUISITION | Employer identification number 45-2381895 |
| Number, street, and room or suite no. If a P.O. box, see instructions. 25910 ACERO ROAD, SUITE 350 | |
| City or town, state, and ZIP code MISSION VIEJO, CA 92691 | |

Part I Overpayment Credits, Estimated Tax Payments, and Tax Deposits (see instructions)

| Corp. No. | Name and address of corporation | Employer identification number | Portion of overpayment credits and estimated tax payments | Portion of tax deposited with Form 7004 |
|--|---|--------------------------------|---|---|
| | Common parent corporation | | | |
| 8 | Subsidiary corporations: SIZZLER USA RESTAURANTS, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-2548114 | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| Totals (Must equal amounts shown on the consolidated tax return.) | | | ► | |

Part II Principal Business Activity, Voting Stock Information, Etc. (see instructions)

| Corp. No. | Principal business activity (PBA) | PBA Code No. | Did the subsidiary make any nondividend distributions? | | Stock holdings at beginning of year | | | |
|-----------|--|--------------|--|----|-------------------------------------|----------------------------|---------------------|--------------------------|
| | | | Yes | No | Number of shares | Percentage of voting power | Percentage of value | Owned by corporation no. |
| | Common parent corporation | | | | | | | |
| 8 | Subsidiary corporations: RESTAURANT | 722210 | | X | | 100.00 % | 100.00 % | 5 |
| | | | | | | | | |
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Part III Changes in Stock Holdings During the Tax Year

| Corp. No. | Name of corporation | Share- holder of Corpora- tion No. | Date of transaction | (a) Changes | | (b) Shares held after changes described in column (a) | |
|--------------|---------------------|---|---------------------------|---------------------------------|------------------------------------|---|------------------------|
| | | | | Number of shares acquired | Number of shares disposed of | Percentage of voting power | Percentage of value |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |

(c) If any transaction listed above caused a transfer of a share of subsidiary stock (defined to include dispositions and deconsolidations), did the share's basis exceed its value at the time of the transfer? See instructions ☐ Yes ☒ No

(d) Did any share of subsidiary stock become worthless within the meaning of section 165 (taking into account the provisions of Regulations section 1.1502-80(c)) during the taxable year? See instructions ☐ Yes ☒ No

(e) If the equitable owners of any capital stock shown above were other than the holders of record, provide details of the changes.

(f) If additional stock was issued, or if any stock was retired during the year, list the dates and amounts of these transactions.

Part IV Additional Stock Information (see instructions)

1 During the tax year, did the corporation have more than one class of stock outstanding? ☐ Yes ☒ No

If "Yes," enter the name of the corporation and list and describe each class of stock.

| Corp. No. | Name of corporation | Class of stock |
|--------------|---------------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 During the tax year, was there any member of the consolidated group that reaffiliated within 60 months of disaffiliation? ☐ Yes ☒ No

If "Yes," enter the name of the corporation(s) and explain the circumstances.

| Corp. No. | Name of corporation | Explanation |
|--------------|---------------------|-------------|
| | | |
| | | |
| | | |
| | | |
| | | |

3 During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group? ☐ Yes ☒ No

If "Yes," enter the name of the corporation and see the instructions for the percentages to enter in columns (a), (b), and (c).

| Corp. No. | Name of corporation | (a) Percentage of value | (b) Percentage of outstanding voting stock | (c) Percentage of voting power |
|--------------|---|----------------------------|---|--------------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Corp. No. | (d) Provide a description of any arrangement. | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

SCHEDULE M-3
(Form 1120)

Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

▶ Attach to Form 1120 or 1120-C.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No. 1545-0123

2018

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Non-consolidated return (2) ☒ Consolidated return (Form 1120 only)
(3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
☒ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

☒ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
☐ No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

☐ Yes. Complete lines 2a through 11 with respect to that income statement.
☐ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 04/30/2018 Ending 04/28/2019

b Has the corporation's income statement been restated for the income statement period on line 2a?

☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☒ No.

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☒ No.

3 a Is any of the corporation's voting common stock publicly traded?

☐ Yes.
☒ No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | |
|---|------------|------------|
| 4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | -535,135. |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5 a Net income from nonincludible foreign entities (attach statement) | 5a | () |
| b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) | 5b | |
| 6 a Net income from nonincludible U.S. entities (attach statement) <u>STMT. 29.</u> | 6a | (72,430.) |
| b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) | 6b | |
| 7 a Net income (loss) of other includible foreign disregarded entities (attach statement) | 7a | |
| b Net income (loss) of other includible U.S. disregarded entities (attach statement) | 7b | |
| c Net income (loss) of other includible entities (attach statement) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach statement) | 9 | |
| 10 a Intercompany dividend adjustments to reconcile to line 11 (attach statement) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach statement) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach statement) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10. Note: Part I, line 11, must equal Part II, line 30, column (a), or Schedule M-1, line 1 (see instructions). | 11 | -607,565. |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|-------------------------------------|--------------|-------------------|
| a Included on Part I, line 4 | 9,327,861. | 14,700,406. |
| b Removed on Part I, line 5 | | |
| c Removed on Part I, line 6 | 798,913. | -223,657. |
| d Included on Part I, line 7 | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2018

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | (17,669,358.) | | | (17,669,358.) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | -8,955. | | 8,955. | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | -22,297. | -22,297. |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | 56,764. | | 56,764. |
| 26 Total income (loss) items. Combine lines 1 through 25 | -17,678,313. | 56,764. | -13,342. | -17,634,891. |
| 27 Total expense/deduction items (from Part III, line 39) | -13,083,352. | -624,970. | 671,667. | -13,036,655. |
| 28 Other items with no differences | 30,154,100. | STMT 33 | | 30,154,100. |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | -607,565. | -568,206. | 658,325. | -517,446. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | -607,565. | -568,206. | 658,325. | -517,446. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2018

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☒ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 254,503. | | -254,503. | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | 20,000. | 5,107. | | 25,107. |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | 157,646. | | | 157,646. |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 78,873. | | -39,437. | 39,436. |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | 371,264. | 862,510. | -371,264. | 862,510. |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | 6,463. | | | 6,463. |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | -6,463. | -6,463. |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 673,657. | -673,657. | | |
| 29 Reserved | | | | |
| 30 Depletion | 461,210. | 567,221. | | 1,028,431. |
| 31 Depreciation | 318,260. | -187,304. | | 130,956. |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | STMT 36 10,741,476. | 51,093. | | 10,792,569. |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 13,083,352. | 624,970. | -671,667. | 13,036,655. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☒ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | -10,998. | | -10,998. |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | -10,998. | | -10,998. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | -10,998. | | -10,998. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☒ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | 10,998. | | 10,998. |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | 10,998. | | 10,998. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

US HOLDCO, INC.

98-0457001

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | | | |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | | | |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | | | |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

US HOLDCO, INC.

98-0457001

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | | |

Name of corporation (common parent, if consolidated return)

Employer identification number

SISSLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SISSLER USA FINANCE, INC.

98-0457004

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | | | |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | | | |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | | | |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA FINANCE, INC.

98-0457004

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | | |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

WORLDWIDE RESTAURANT CONCEPTS, INC.

95-4307254

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | -862,510. | | -862,510. |
| 28 Other items with no differences | -308. | | | -308. |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | -308. | -862,510. | | -862,818. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | -308. | -862,510. | | -862,818. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

WORLDWIDE RESTAURANT CONCEPTS, INC.

95-4307254

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | 862,510. | | 862,510. |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | 862,510. | | 862,510. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA, INC.

95-4632165

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | | | |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | | | |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | | | |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA, INC.

95-4632165

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | | |

Name of corporation (common parent, if consolidated return)

Employer identification number

SISSLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SISSLER USA FRANCHISE, INC.

95-4632167

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | -1,066,920. | 603,048. | 266,671. | -197,201. |
| 28 Other items with no differences | 6,582,838. | | | 6,582,838. |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | 5,515,918. | 603,048. | 266,671. | 6,385,637. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 5,515,918. | 603,048. | 266,671. | 6,385,637. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA FRANCHISE, INC.

95-4632167

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 266,446. | | -266,446. | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | 13,109. | | 13,109. |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 449. | | -225. | 224. |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 531,899. | -531,899. | | |
| 29 Reserved | | | | |
| 30 Depletion | 2,603. | 1,060. | | 3,663. |
| 31 Depreciation | 234,255. | -86,863. | | 147,392. |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | 31,268. | 1,545. | | 32,813. |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 1,066,920. | -603,048. | -266,671. | 197,201. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☒ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA REAL PROPERTY, INC.

95-4532171

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | -158,086. | 60,025. | | -98,061. |
| 28 Other items with no differences | 46,591. | | | 46,591. |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | -111,495. | 60,025. | | -51,470. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | -111,495. | 60,025. | | -51,470. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☒ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA REAL PROPERTY, INC.

95-4532171

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | 500. | | 500. |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 31,102. | -14,121. | | 16,981. |
| 32 Bad debt expense | 84,005. | | | 84,005. |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | 42,979. | -46,404. | | -3,425. |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 158,086. | -60,025. | | 98,061. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA RESTAURANTS, INC.

95-2548114

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | (17,669,358.) | | | (17,669,358.) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | -8,955. | | 8,955. | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | -22,297. | -22,297. |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | 56,764. | | 56,764. |
| 26 Total income (loss) items. Combine lines 1 through 25 | -17,678,313. | 56,764. | -13,342. | -17,634,891. |
| 27 Total expense/deduction items (from Part III, line 39) | -11,858,346. | -414,535. | 398,533. | -11,874,348. |
| 28 Other items with no differences | 23,524,979. | | | 23,524,979. |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | -6,011,680. | -357,771. | 385,191. | -5,984,260. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | -6,011,680. | -357,771. | 385,191. | -5,984,260. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☒ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SIZZLER USA RESTAURANTS, INC.

95-2548114

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | -11,943. | | 11,943. | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | 20,000. | -19,500. | | 500. |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | 157,646. | | | 157,646. |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 78,424. | | -39,212. | 39,212. |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | 371,264. | | -371,264. | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | 6,463. | | | 6,463. |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 141,758. | -141,758. | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 427,505. | 580,282. | | 1,007,787. |
| 32 Bad debt expense | | -100,441. | | -100,441. |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | 10,667,229. | 95,952. | | 10,763,181. |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 11,858,346. | 414,535. | -398,533. | 11,874,348. |

Name of corporation (common parent, if consolidated return)

Employer identification number

SISSLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☒ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SISSLER ELIMINATIONS COMPANY

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | | | |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | | | |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | | | |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SISSLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☒ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

SISSLER ELIMINATIONS COMPANY

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | | |

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

ADJUSTMENTS

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach statements for lines 1 through 12) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross-up for foreign taxes deemed paid . . | | | | |
| 5 Gross foreign distributions previously taxed . | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations . | | | | |
| 9 Income (loss) from U.S. partnerships . . . | | | | |
| 10 Income (loss) from foreign partnerships . . | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions . . | | | | |
| 13 Interest income (see instructions) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (see instructions) . . . | () | | | () |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest . | | | | |
| 23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach statement) . . | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach statement) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | | | | |
| 27 Total expense/deduction items (from Part III, line 39) | | | 6,463. | 6,463. |
| 28 Other items with no differences | | | | |
| 29 a Mixed groups, see instructions. All others, combine lines 26 through 28 | | | 6,463. | 6,463. |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | | | 6,463. | 6,463. |

Note: Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

SIZZLER USA ACQUISITION

45-2381895

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

ADJUSTMENTS

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (see instructions) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | -6,463. | -6,463. |
| 22 Domestic production activities deduction (see instructions) | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Reserved | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Research and development costs | | | | |
| 36 Section 118 exclusion (attach statement) | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | |
| 38 Other expense/deduction items with differences (attach statement) | | | | |
| 39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | | | -6,463. | -6,463. |

Form **1118**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service**Foreign Tax Credit - Corporations**

▶ Attach to the corporation's tax return.

▶ Go to www.irs.gov/Form1118 for instructions and the latest information.

OMB No. 1545-0123

For calendar year 20 , or other tax year beginning 04/30/2018, 20 , and ending 04/28/2019, 20

Name of corporation

Employer identification number

SIZZLER USA ACQUISITION, INC.

45-2381895

Use a separate Form 1118 for each applicable category of income (see instructions).

- a Separate Category (Enter code - see instructions.) ▶ GEN
- b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ▶
- c If code RBT is entered on line a, enter the country code for the treaty country (see instructions) ▶

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See Specific Instructions.)

| 1. EIN or Reference ID Number (see instructions)* | 2. Foreign Country or U.S. Possession (enter two-letter code - use a separate line for each) (see instructions) | Gross Income or (Loss) From Sources Outside the United States | | | | 5. Interest | |
|--|---|---|---------------------------|------------------------------------|---------------------------|-------------|--|
| | | 3. Inclusions Under Sections 951(a)(1) and 951A (see instructions) | | 4. Dividends (see instructions) | | | |
| | | (a) Exclude Gross-Up | (b) Gross-Up (section 78) | (a) Exclude Gross-Up | (b) Gross-Up (section 78) | | |
| A | RQ | | | | | | |
| B | | | | | | | |
| C | | | | | | | |
| Totals (add lines A through C) ▶ | | | | | | | |

| 6. Gross Rents, Royalties, and License Fees | 7. Sales | 8. Gross Income From Performance of Services | 9. Section 986(c) Gain or Loss | 10. Section 987 Gain or Loss | 11. Section 988 Gain or Loss | 12. Other (attach schedule) |
|---|----------|--|--------------------------------|------------------------------|------------------------------|-----------------------------|
| A 915,491. | | | | | | |
| B | | | | | | |
| C | | | | | | |
| Totals 915,491. | | | | | | |

| 13. Total (add columns 3(a) through 12) | 14. Allocable Deductions | | | | | (f) Expenses Allocable to Sales Income |
|--|--|--|---|---|------------------------------|--|
| | (a) Dividends Received Deduction (see instructions) | (b) Deduction Allowed Under Section 250(a)(1)(A)-Foreign Derived Intangible Income | (c) Deduction Allowed Under Section 250(a)(1)(B)-Global Intangible Low-Taxed Income | Rental, Royalty, and Licensing Expenses | | |
| | | | | (d) Depreciation, Depletion, and Amortization | (e) Other Allocable Expenses | |
| A 915,491. | | | | | | |
| B | | | | | | |
| C | | | | | | |
| Totals 915,491. | | | | | | |

| 14. Allocable Deductions (continued) | | | 15. Apportioned Share of Deductions (enter amount from applicable line of Schedule H, Part II, column (d)) | 16. Net Operating Loss Deduction | 17. Total Deductions (add columns 14(i) through 16) | 18. Total Income or (Loss) Before Adjustments (subtract column 17 from column 13) |
|---|--------------------------------|---|---|----------------------------------|--|--|
| (g) Expenses Allocable to Gross Income From Performance of Services | (h) Other Allocable Deductions | (i) Total Allocable Deductions (add columns 14(a) through 14(h)) | | | | |
| A | | | | | | 915,491. |
| B | | | | | | |
| C | | | | | | |
| Totals | | | | | | 915,491. |

* For section 863(b) income, NOLs, income from RICs, high-taxed income, section 965, and section 951A, use a single line (see instructions).

For Paperwork Reduction Act Notice, see separate instructions.

Form **1118** (Rev. 12-2018)

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**Part I - Foreign Taxes Paid, Accrued, and Deemed Paid** (see instructions)

| 1. Credit is Claimed for Taxes (check one): | | 2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used) | | | | | |
|--|--------------|--|--|------------------------|--------------|--|-----------|
| <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | | Tax Withheld at Source on: | | | | | |
| Date Paid | Date Accrued | (a) Dividends | (b) Distributions of Previously Taxed Income | (c) Branch Remittances | (d) Interest | (e) Rents, Royalties, and License Fees | (f) Other |
| A | | | | | | 265,492. | |
| B | | | | | | | |
| C | | | | | | | |
| Totals (add lines A through C) | | | | | | 265,492. | |

| 2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used) | | | | 3. Tax Deemed Paid (see instructions) |
|--|---------------------|-----------|---|---------------------------------------|
| Other Foreign Taxes Paid or Accrued on: | | | (j) Total Foreign Taxes Paid or Accrued (add columns 2(a) through 2(i)) | |
| (g) Sales | (h) Services Income | (i) Other | | |
| A | | | 265,492. | |
| B | | | | |
| C | | | | |
| Totals | | | 265,492. | |

Part II - Separate Foreign Tax Credit (Complete a **separate** Part II for **each** applicable category of income.)

| | | | |
|----|--|-----------|----------------|
| 1a | Total foreign taxes paid or accrued (total from Part I, column 2(j)). | 265,492. | |
| b | Foreign taxes paid or accrued by the corporation during prior tax years that were suspended due to the rules of section 909 and for which the related income is taken into account by the corporation during the current tax year (see instructions) | | |
| 2 | Total taxes deemed paid (total from Part I, column 3) | | |
| 3 | Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G) | () | |
| 4 | Taxes reclassified under high-tax kickout | | |
| 5 | Enter the sum of any carryover of foreign taxes (from Schedule K, line 3, column (xiv), and from Schedule I, Part III, line 3) plus any carrybacks to the current tax year. | | |
| 6 | Total foreign taxes (combine lines 1a through 5) | | 265,492. |
| 7 | Enter the amount from the applicable column of Schedule J, Part I, line 11 (see instructions). If Schedule J is not required to be completed, enter the result from the "Totals" line of column 18 of the applicable Schedule A | | 915,491. |
| 8a | Total taxable income from all sources (enter taxable income from the corporation's tax return) | -517,446. | |
| b | Adjustments to line 8a (see instructions) | | |
| c | Subtract line 8b from line 8a | | -517,446. |
| 9 | Divide line 7 by line 8c. Enter the resulting fraction as a decimal (see instructions). If line 7 is greater than line 8c, enter 1 | | 1.000000000000 |
| 10 | Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus American Samoa economic development credit). | | |
| 11 | Credit limitation (multiply line 9 by line 10) (see instructions) | | |
| 12 | Separate foreign tax credit (enter the smaller of line 6 or line 11). Enter here and on the appropriate line of Part III | | |

**Schedule J
(Form 1118)**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service

**Adjustments to Separate Limitation Income (Loss) Categories for
Determining Numerators of Limitation Fractions, Year-End Recharacterization Balances,
and Overall Foreign and Domestic Loss Account Balances**

For calendar year 20_____, or other tax year beginning 04/30/2018, 20_____, and ending 04/28/2019, 20_____

▶ **Attach to Form 1118.**

OMB No. 1545-0123

Name of corporation

SIZZLER USA ACQUISITION, INC.

Employer identification number

45-2381895

Part I Adjustments to Separate Limitation Income or (Losses) in Determining Numerators of Limitation Fractions (see instructions)

| | (i) Section 951A income | (ii) Foreign branch income | (iii) Passive category income | (iv) General category income | (v) Other income* | (vi) U.S. income |
|--|----------------------------|-------------------------------|----------------------------------|---------------------------------|----------------------|---------------------|
| 1 Income or (loss) before adjustments | | | | 915,491. | | -1,432,937. |
| 2 Allocation of separate limitation losses: | | | | | | |
| a Section 951A income | () | () | () | () | () | |
| b Foreign branch income | () | () | () | () | () | |
| c Passive category income | () | () | () | () | () | |
| d General category income | () | () | () | () | () | |
| e Other income* | () | () | () | () | () | |
| 3 Subtotal - Combine lines 1 through 2e. | | | | 915,491. | | -1,432,937. |
| 4 Allocation of overall foreign losses | | | | | | () |
| 5 Allocation of domestic losses | () | () | () | () | () | |
| 6 Subtotal - Combine lines 3 through 5. | | | | 915,491. | | -1,432,937. |
| 7 Recapture of overall foreign losses | () | () | () | () | () | |
| 8 Subtotal - Combine lines 6 and 7. | | | | 915,491. | | -1,432,937. |
| 9 Recharacterization of separate limitation income: | | | | | | |
| a Section 951A income | () | | | | | |
| b Foreign branch income | | () | | | | |
| c Passive category income | | | () | | | |
| d General category income | | | | () | | |
| e Other income* | | | | | () | |
| 10 Recapture of overall domestic losses | | | | | | () |
| 11 Numerator of Limitation Fraction - Combine lines 8 through 10. Enter each result here and on Schedule B, Part II, line 7, of corresponding Form 1118. | | | | 915,491. | | |

* **Important:** See **Computer-Generated Schedule J** in instructions.

For Paperwork Reduction Act Notice, see the Instructions for Form 1118.

Schedule J (Form 1118) (Rev. 12-2018)

**SCHEDULE K
(Form 1118)**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service**Foreign Tax Carryover Reconciliation Schedule**For calendar year 20____, or other tax year beginning ____^{04/30}____, 20¹⁸____, and ending ____^{04/28}____, 20¹⁹____.

► See separate instructions.

► Attach to Form 1118.

► Go to www.irs.gov/Form 1118 for instructions and the latest information.

OMB No. 1545-0123

Name of corporation

SIZZLER USA ACQUISITION, INC.

Employer identification number

45-2381895

Use a separate Schedule K (Form 1118) for each category of income (see instructions).

- a Separate Category (enter code-see instructions) ► GEN
- b If code 901j is entered on line a, enter the country code for the sanctioned country (see instructions) ►
- c If code RBT is entered on line a, enter the country code for the treaty country (see instructions) ►

| Foreign Tax Carryover Reconciliation | (i) 10th Preceding Tax Year | (ii) 9th Preceding Tax Year | (iii) 8th Preceding Tax Year | (iv) 7th Preceding Tax Year | (v) 6th Preceding Tax Year | (vi) 5th Preceding Tax Year | (vii) Subtotal (add columns (i) through (vi)) |
|---|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|---|
| 1 Foreign tax carryover from the prior tax year (enter amounts from the appropriate columns of line 8 of the prior year Schedule K (see instructions)) | | | | | 281,561. | 290,546. | 572,107. |
| 2 Adjustments to line 1 (enter description - see instructions): | | | | | | | |
| a Carryback adjustment (see instructions) | | | | | | | |
| b Adjustments for section 905(c) redeterminations (see instructions) | | | | | | | |
| c | | | | | | | |
| d | | | | | | | |
| e | | | | | | | |
| f | | | | | | | |
| g | | | | | | | |
| 3 Adjusted foreign tax carryover from prior tax year (combine lines 1 and 2) | | | | | 281,561. | 290,546. | 572,107. |
| 4 Foreign tax carryover used in current tax year (enter as a negative number) | | | | | | | |
| 5 Foreign tax carryover expired unused in current tax year (enter as a negative number) | | | | | | | |
| 6 Foreign tax carryover generated in current tax year | | | | | | | |
| 7 Actual or estimated amount of line 6 to be carried back to prior tax year (enter as a negative number) | | | | | | | |
| 8 Foreign tax carryover to the following tax year. Combine lines 3 through 7. | -0- | | | | 281,561. | 290,546. | 572,107. |

For Paperwork Reduction Act Notice, see the Instructions for Form 1118.

Schedule K (Form 1118) (Rev. 12-2018)

| Foreign Tax Carryover Reconciliation (<i>continued</i>) | (viii) Subtotal from page 1 (enter the amounts from column (vii) on page 1) | (ix) 4th Preceding Tax Year | (x) 3rd Preceding Tax Year | (xi) 2nd Preceding Tax Year | (xii) 1st Preceding Tax Year | (xiii) Current Tax Year | (xiv) Totals (add columns (viii) through (xiii)) |
|---|---|-----------------------------------|----------------------------------|-----------------------------------|------------------------------------|-------------------------------|--|
| 1 Foreign tax carryover from the prior tax year (enter amounts from the appropriate columns of line 8 of the prior year Schedule K (see instructions)) | 572,107. | 317,519. | 302,507. | 279,205. | 269,234. | | 1,740,572. |
| 2 Adjustments to line 1 (enter description - see instructions): | | | | | | | |
| a Carryback adjustment (see instructions) | | | | | | | |
| b Adjustments for section 905(c) redeterminations (see instructions) | | | | | | | |
| c | | | | | | | |
| d | | | | | | | |
| e | | | | | | | |
| f | | | | | | | |
| g | | | | | | | |
| 3 Adjusted foreign tax carryover from prior tax year (combine lines 1 and 2). Include the column (xiv) total on the current year Form 1118, Schedule B, Part II, line 5. | 572,107. | 317,519. | 302,507. | 279,205. | 269,234. | | 1,740,572. |
| 4 Foreign tax carryover used in current tax year (enter as a negative number) | | | | | | | |
| 5 Foreign tax carryover expired unused in current tax year (enter as a negative number) | | | | | | | |
| 6 Foreign tax carryover generated in current tax year | | | | | | 265,492. | 265,492. |
| 7 Actual or estimated amount of line 6 to be carried back to prior tax year (enter as a negative number) | | | | | | | |
| 8 Foreign tax carryover to the following tax year. Combine lines 3 through 7. | 572,107. | 317,519. | 302,507. | 279,205. | 269,234. | 265,492. | 2,006,064. |

Cost of Goods Sold

OMB No. 1545-0123

► **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
 ► **Go to www.irs.gov/Form1125A for the latest information.**

| | | |
|--|---|---|
| Name SIZZLER USA ACQUISITION, INC. | | Employer identification number 45-2381895 |
| 1 | Inventory at beginning of year. | 115,583. |
| 2 | Purchases | 10,069,861. |
| 3 | Cost of labor | 7,607,863. |
| 4 | Additional section 263A costs (attach schedule). | |
| 5 | Other costs (attach schedule). | |
| 6 | Total. Add lines 1 through 5 | 17,793,307. |
| 7 | Inventory at end of year. | 123,949. |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions. | 17,669,358. |

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ► _____

b Check if there was a writedown of subnormal goods ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2018Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.Attachment
Sequence No. **179**

Name(s) shown on return

Identifying number

SIZZLER USA ACQUISITION, INC.

45-2381895

Business or activity to which this form relates

GENERAL DEPRECIATION & AMORTIZATION**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount (see instructions) | 1 | |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2017 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12 | 13 | |

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

| | | | |
|----|--|----|----------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions | 14 | 526,004. |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | 13,232. |

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

| | | | |
|----|---|----|----------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2018 | 17 | 489,195. |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B - Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 39 yrs. | MM | S/L | |

Section C - Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 30-year | | | 30 yrs. | MM | S/L | |
| d 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|------------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 22 | 1,028,431. |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

For Paperwork Reduction Act Notice, see separate instructions.
JSA 8X2300 1.000

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Form **4562** (2018)

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Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|---|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions 25 | | | | | | | | |
| 26 Property used more than 50% in a qualified business use: | | | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | | | | | | | |
| | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 28 | | | | | | | | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. 29 | | | | | | | | |

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | (b) Vehicle 2 | (c) Vehicle 3 | (d) Vehicle 4 | (e) Vehicle 5 | (f) Vehicle 6 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| 30 Total business/investment miles driven during the year (don't include commuting miles) . . . | | | | | | |
| 31 Total commuting miles driven during the year . | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | Yes No | Yes No | Yes No | Yes No | Yes No | Yes No |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | |

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2018 tax year (see instructions): | | | | | |
| | | | | | |
| 43 Amortization of costs that began before your 2018 tax year 43 | | | | | |
| 44 Total. Add amounts in column (f). See the instructions for where to report 44 | | | | | |

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2018Attachment
Sequence No. **27**

Name(s) shown on return

SIZZLER USA ACQUISITION, INC.

Identifying number

45-2381895

1 Enter the gross proceeds from sales or exchanges reported to you for 2018 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

| 2 | (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|---|---|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| | STMT 43 | | | | | | -22,297. |
| | | | | | | | |
| | | | | | | | |
| 3 | Gain, if any, from Form 4684, line 39 | | | | | | 3 |
| 4 | Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 |
| 5 | Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 | Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 | Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows | | | | | | 7 |
| | Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | | | | | | |
| 8 | Nonrecaptured net section 1231 losses from prior years. See instructions | | | | | | 8 |
| 9 | Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions | | | | | | 9 |

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

| | | | | | | |
|----|--|--|--|--|--|-----|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 11 | Loss, if any, from line 7 | | | | | 11 |
| 12 | Gain, if any, from line 7 or amount from line 8, if applicable. | | | | | 12 |
| 13 | Gain, if any, from line 31 | | | | | 13 |
| 14 | Net gain or (loss) from Form 4684, lines 31 and 38a | | | | | 14 |
| 15 | Ordinary gain from installment sales from Form 6252, line 25 or 36 | | | | | 15 |
| 16 | Ordinary gain or (loss) from like-kind exchanges from Form 8824 | | | | | 16 |
| 17 | Combine lines 10 through 16. | | | | | 17 |
| 18 | For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below. | | | | | |
| | a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions | | | | | 18a |
| | b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), line 14 | | | | | 18b |

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2018)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| A | | | |
| B | | | |
| C | | | |
| D | | | |

| These columns relate to the properties on lines 19A through 19D. ► | | Property A | Property B | Property C | Property D |
|--|--|------------|------------|------------|------------|
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 | | | |
| 21 | Cost or other basis plus expense of sale | 21 | | | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 | | | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 | | | |
| 24 | Total gain. Subtract line 23 from line 20. | 24 | | | |
| 25 | If section 1245 property: | | | | |
| a | Depreciation allowed or allowable from line 22 | 25a | | | |
| b | Enter the smaller of line 24 or 25a. | 25b | | | |
| 26 | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | |
| a | Additional depreciation after 1975. See instructions | 26a | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions | 26b | | | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e | 26c | | | |
| d | Additional depreciation after 1969 and before 1976 | 26d | | | |
| e | Enter the smaller of line 26c or 26d | 26e | | | |
| f | Section 291 amount (corporations only) | 26f | | | |
| g | Add lines 26b, 26e, and 26f | 26g | | | |
| 27 | If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership. | | | | |
| a | Soil, water, and land clearing expenses | 27a | | | |
| b | Line 27a multiplied by applicable percentage. See instructions | 27b | | | |
| c | Enter the smaller of line 24 or 27b | 27c | | | |
| 28 | If section 1254 property: | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions | 28a | | | |
| b | Enter the smaller of line 24 or 28a | 28b | | | |
| 29 | If section 1255 property: | | | | |
| a | Applicable percentage of payments excluded from income under section 126. See instructions | 29a | | | |
| b | Enter the smaller of line 24 or 29a. See instructions | 29b | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | | |
|----|---|----|--|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 | |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 | |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation. See instructions | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Form **4797** (2018)

Form **5472**

(Rev. December 2018)

Department of the Treasury
Internal Revenue Service**Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business**

(Under Sections 6038A and 6038C of the Internal Revenue Code)

▶ Go to www.irs.gov/Form5472 for instructions and the latest information.For tax year of the reporting corporation beginning 01/01/2018, and ending 12/31/2018**Note:** Enter all information in English and money items in U.S. dollars.

OMB No. 1545-0123

Part I Reporting Corporation (see instructions). All reporting corporations must complete Part I.

| | | |
|---|---|--|
| 1a Name of reporting corporation SIZZLER USA ACQUISITION Number, street, and room or suite no. (if a P.O. box, see instructions) 25910 ACERO ROAD, SUITE 350 City or town, state, and ZIP code (if a foreign address, see instructions) MISSION VIEJO, CA 92691 | | 1b Employer identification number 45-2381895 |
| 1d Principal business activity ▶ RESTAURANT | | 1e Principal business activity code ▶ 722210 |
| 1f Total value of gross payments made or received reported on this Form 5472. See instructions. \$ 1,347,450. | 1g Total number of Forms 5472 filed for the tax year 1 | 1h Total value of gross payments made or received reported on all Forms 5472. See instructions. \$ 1,347,450. |
| 1i Check here if this is a consolidated filing of Form 5472 <input type="checkbox"/> | 1j Check here if this is the initial year for which the U.S. reporting corporation is filing a Form 5472. . . <input type="checkbox"/> | 1k Country of incorporation US |
| 1l Country(ies) under whose laws the reporting corporation files an income tax return as a resident US | | 1m Principal country(ies) where business is conducted US |
| 2 Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation ▶ <input type="checkbox"/> | | |
| 3 Check here if the reporting corporation is a foreign-owned domestic disregarded entity (foreign-owned U.S. DE) treated as a corporation for purposes of section 6038A. See instructions ▶ <input type="checkbox"/> | | |

Part II 25% Foreign Shareholder (see instructions)Check here if any direct (or ultimate indirect) 25% foreign shareholder listed in Part II is a surrogate foreign corporation under section 7874(a)(2)(B). ▶ ☐

| | | |
|--|--|--|
| 1a Name and address of direct 25% foreign shareholder PERKINS U.S. FINANCIAL SERVICES LTD P.O. BOX 286 LUTWYCHE, QLD AS 4030 | | |
| 1b(1) U.S. identifying number, if any FOREIGNUS | 1b(2) Reference ID number (see instructions) SIZZLER5472 | 1b(3) Foreign taxpayer identification number (FTIN), if any (see instructions) |
| 1c Principal country(ies) where business is conducted AS | 1d Country of citizenship, organization, or incorporation AS | 1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident AS |
| 2a Name and address of direct 25% foreign shareholder | | |
| 2b(1) U.S. identifying number, if any | 2b(2) Reference ID number (see instructions) | 2b(3) FTIN, if any (see instructions) |
| 2c Principal country(ies) where business is conducted | 2d Country of citizenship, organization, or incorporation | 2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident |
| 3a Name and address of ultimate indirect 25% foreign shareholder KEVIN PERKINS P.O. BOX 286 LUTWYCHE, QLD AS 4030 | | |
| 3b(1) U.S. identifying number, if any FOREIGNUS | 3b(2) Reference ID number (see instructions) 2 | 3b(3) FTIN, if any (see instructions) |
| 3c Principal country(ies) where business is conducted AS | 3d Country of citizenship, organization, or incorporation AS | 3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident AS |
| 4a Name and address of ultimate indirect 25% foreign shareholder | | |
| 4b(1) U.S. identifying number, if any | 4b(2) Reference ID number (see instructions) | 4b(3) FTIN, if any (see instructions) |
| 4c Principal country(ies) where business is conducted | 4d Country of citizenship, organization, or incorporation | 4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident |

For Paperwork Reduction Act Notice, see instructions.

Form **5472** (Rev. 12-2018)

JSA

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Part III Related Party (see instructions). All reporting corporations must complete this question and the rest of Part III.
Check applicable box: Is the related party a ☒ foreign person or ☐ U.S. person?

1a Name and address of related party PERKINS U.S. FINANCIAL SERVICES LTD

P.O. BOX 286

LUTWYCHE, QLD AS 4030

1b(1) U.S. identifying number, if any

1b(2) Reference ID number (see instructions)

1b(3) FTIN, if any (see instructions)

FOREIGNUS

1

1c Principal business activity ☒ OTHER FINANCIAL INVESTMENT ACT

1d Principal business activity code ☒ 523900

1e Relationship - Check boxes that apply: ☒ Related to reporting corporation

☐ Related to 25% foreign shareholder ☒ 25% foreign shareholder

1f Principal country(ies) where business is conducted

1g Country(ies) under whose laws the related party files an income tax return as a resident

AS

AS

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party (see instructions)

Caution: Part IV must be completed if the "foreign person" box is checked in the heading for Part III.

If estimates are used, check here. ☐

| | | | |
|------------|--|------------|------------|
| 1 | Sales of stock in trade (inventory) | 1 | |
| 2 | Sales of tangible property other than stock in trade | 2 | |
| 3 | Platform contribution transaction payments received | 3 | |
| 4 | Cost-sharing transaction payments received | 4 | |
| 5a | Rents received (for other than intangible property rights) | 5a | |
| b | Royalties received (for other than intangible property rights) | 5b | |
| 6 | Sales, leases, licenses, etc., of intangible property rights (for example, patents, trademarks, secret formulas) | 6 | |
| 7 | Consideration received for technical, managerial, engineering, construction, scientific, or like services | 7 | |
| 8 | Commissions received | 8 | |
| 9 | Amounts borrowed (see instructions) a Beginning balance 1,347,450. b Ending balance or monthly average | 9b | 1,347,450. |
| 10 | Interest received | 10 | |
| 11 | Premiums received for insurance or reinsurance | 11 | |
| 12 | Other amounts received (see instructions) | 12 | |
| 13 | Total. Combine amounts on lines 1 through 12 | 13 | 1,347,450. |
| 14 | Purchases of stock in trade (inventory) | 14 | |
| 15 | Purchases of tangible property other than stock in trade | 15 | |
| 16 | Platform contribution transaction payments paid | 16 | |
| 17 | Cost-sharing transaction payments paid | 17 | |
| 18a | Rents paid (for other than intangible property rights) | 18a | |
| b | Royalties paid (for other than intangible property rights) | 18b | |
| 19 | Purchases, leases, licenses, etc., of intangible property rights (for example, patents, trademarks, secret formulas) | 19 | |
| 20 | Consideration paid for technical, managerial, engineering, construction, scientific, or like services | 20 | |
| 21 | Commissions paid | 21 | |
| 22 | Amounts loaned (see instructions) a Beginning balance b Ending balance or monthly average | 22b | |
| 23 | Interest paid | 23 | |
| 24 | Premiums paid for insurance or reinsurance | 24 | |
| 25 | Other amounts paid (see instructions) | 25 | |
| 26 | Total. Combine amounts on lines 14 through 25 | 26 | |

Part V Reportable Transactions of a Reporting Corporation That is a Foreign-Owned U.S. DE (see instructions)

Describe on an attached separate sheet any other transaction as defined by Regulations section 1.482-1(i)(7), such as amounts paid or received in connection with the formation, dissolution, acquisition, and disposition of the entity, including contributions to and distributions from the entity, and check here. ☐

Part VI Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party (see instructions)

Describe these transactions on an attached separate sheet and check here. ☐

Form **5472** (Rev. 12-2018)

Part VII Additional Information. All reporting corporations must complete Part VII.

- 1** Does the reporting corporation import goods from a foreign related party? ☐ Yes ☒ No
- 2a** If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods? ☐ Yes ☐ No
- b** If "Yes," attach a statement explaining the reason or reasons for such difference.
- c** If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? ☐ Yes ☐ No
- 3** During the tax year, was the foreign parent corporation a participant in any cost-sharing arrangement? ☐ Yes ☒ No
- 4** During the course of the tax year, did the foreign parent corporation become a participant in any cost-sharing arrangement? ☐ Yes ☒ No
- 5a** During the tax year, did the reporting corporation pay or accrue any interest or royalty, to the related party, for which the deduction is not allowed under section 267A? See instructions ☐ Yes ☐ No
- b** If "Yes," enter the total amount of the disallowed deductions \$ _____
- 6a** Does the reporting corporation claim a foreign-derived intangible income (FDII) deduction (under section 250) with respect to amounts listed in Part IV? ☐ Yes ☒ No
- b** If "Yes," enter the amount of gross income derived from sales, leases, exchanges, or other dispositions (but not licenses) of property to the foreign related party that the reporting corporation included in its computation of foreign-derived deduction eligible income (FDDEI). See instructions \$ _____
- c** If "Yes," enter the amount of gross income derived from a license of property to the foreign related party that the reporting corporation included in its computation of FDDEI. See instructions \$ _____
- d** If "Yes," enter the amount of gross income derived from services provided to the foreign related party that the reporting corporation included in its computation of FDDEI. See instructions \$ _____

Part VIII Base Erosion Payments and Base Erosion Tax Benefits Under Section 59A (see instructions)

- 1** Amounts defined as base erosion payments under section 59A(d) \$ _____
- 2** Amount of base erosion tax benefits under section 59A(c)(2) \$ _____
- 3** Amount of total qualified derivative payments as described in section 59A(h) made by the reporting corporation \$ _____
- 4** Reserved for future use ☐ \$ _____

Form **5472** (Rev. 12-2018)

Limitation on Business Interest Expense Under Section 163(j)

▶ Attach to your tax return.

OMB No. 1545-0123

▶ Go to www.irs.gov/Form8990 for instructions and the latest information.

Taxpayer name(s) shown on tax return

Identification number

SIZZLER USA ACQUISITION, INC.

45-2381895

Part I Computation of Allowable Business Interest Expense

Part I is completed by all taxpayers subject to section 163(j). Schedule A and Schedule B need to be completed before Part I when the taxpayer is a partner or shareholder of a pass-through entity subject to 163(j).

Section I - Business Interest Expense

| | | | | |
|---|---|---|---------|---------|
| 1 | Current year business interest expense (not including floor plan financing interest expense), before the section 163(j) limitation. | 1 | 157,646 | |
| 2 | Disallowed business interest expense carryforwards from prior years. (Does not apply to a partnership). | 2 | | |
| 3 | Partner's excess business interest expense treated as paid or accrued in current year (Schedule A, line 44, column (h)) | 3 | | |
| 4 | Floor plan financing interest expense. See instructions | 4 | | |
| 5 | Total business interest expense. Add lines 1 through 4 ▶ | 5 | | 157,646 |

Section II - Adjusted Taxable Income

Taxable Income

| | | | | |
|---|--|---|--|----------|
| 6 | Taxable income. See instructions. | 6 | | -517,446 |
|---|--|---|--|----------|

Additions (adjustments to be made if amounts are taken into account on line 6)

| | | | | |
|----|---|----|-----------|-----------|
| 7 | Any item of loss or deduction which is not properly allocable to a trade or business of the taxpayer. See instructions. | 7 | | |
| 8 | Any business interest expense not from a pass-through entity. See instructions. | 8 | 157,646 | |
| 9 | Amount of any net operating loss deduction under section 172. | 9 | | |
| 10 | Amount of any qualified business income deduction allowed under section 199A. | 10 | | |
| 11 | Deduction allowable for depreciation, amortization, or depletion attributable to a trade or business. | 11 | 1,050,050 | |
| 12 | Amount of any loss or deduction items from a pass-through entity. See instructions | 12 | | |
| 13 | Other additions. See instructions | 13 | | |
| 14 | Total current year partner's excess taxable income (Schedule A, line 44, column (f)) | 14 | | |
| 15 | Total current year S corporation shareholder's excess taxable income (Schedule B, line 46, column (c)). | 15 | | |
| 16 | Total. Add lines 7 through 15. ▶ | 16 | | 1,207,696 |

Reductions (adjustments to be made if amounts are taken into account on line 6)

| | | | | |
|----|---|----|-----|---------|
| 17 | Any item of income or gain which is not properly allocable to a trade or business of the taxpayer. See instructions | 17 | () | |
| 18 | Any business interest income not from a pass-through entity. See instructions | 18 | () | |
| 19 | Amount of any income or gain items from a pass-through entity. See instructions | 19 | () | |
| 20 | Other reductions. See instructions | 20 | () | |
| 21 | Total. Combine lines 17 through 20 ▶ | 21 | () | |
| 22 | Adjusted taxable income. Combine lines 6, 16, and 21. (If zero or less, enter -0-). ▶ | 22 | | 690,250 |

Section III - Business Interest Income

| | | | | |
|----|--|----|--|--|
| 23 | Current year business interest income. See instructions | 23 | | |
| 24 | Excess business interest income from pass-through entities (total of Schedule A, line 44, column (g), and Schedule B, line 46, column (d)) | 24 | | |
| 25 | Total. Add lines 23 and 24 ▶ | 25 | | |

For Paperwork Reduction Act Notice, see the instructions.

Form **8990** (12-2018)

JSA 8X4088 2-000

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Section IV - 163(j) Limitation Calculations**Limitation on Business Interest Expense**

| | | | | |
|-----------|--|-----------|---------|---------|
| 26 | Multiply adjusted taxable income (line 22) by 30% (0.30). See instructions | 26 | 207,075 | |
| 27 | Business interest income (line 25) | 27 | | |
| 28 | Floor plan financing interest expense (line 4) | 28 | | |
| 29 | Total. Add lines 26, 27, and 28 ▶ | 29 | | 207,075 |

Allowable Business Interest Expense

| | | | | |
|-----------|--|-----------|--|---------|
| 30 | Total current year business interest expense deduction. See instructions. | 30 | | 157,646 |
|-----------|--|-----------|--|---------|

Carryforward

SEE STATEMENT 44

| | | | | |
|-----------|--|-----------|--|--|
| 31 | Disallowed business interest expense. Subtract line 29 from line 5. (If zero or less, enter -0-.) . . . | 31 | | |
|-----------|--|-----------|--|--|

Part II Partnership Pass-Through Items

Part II is only completed by a partnership that is subject to section 163(j). The partnership items below are allocated to the partners and are not carried forward by the partnership. See the instructions for more information.

Excess Business Interest Expense

| | | | | |
|-----------|--|-----------|--|--|
| 32 | Excess business interest expense. Enter amount from line 31 | 32 | | |
|-----------|--|-----------|--|--|

Excess Taxable Income (If you entered an amount on line 32, skip lines 33 through 37.)

| | | | | |
|-----------|--|-----------|--|--|
| 33 | Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) | 33 | | |
| 34 | Subtract line 33 from line 26. (If zero or less, enter -0-.) | 34 | | |
| 35 | Divide line 34 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) | 35 | | |
| 36 | Excess Taxable Income. Multiply line 35 by line 22 | 36 | | |

Excess Business Interest Income

| | | | | |
|-----------|--|-----------|--|--|
| 37 | Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.). | 37 | | |
|-----------|--|-----------|--|--|

Part III S Corporation Pass-Through Items

Part III is only completed by S corporations that are subject to section 163(j). The S corporation items below are allocated to the shareholders. See the instructions for more information.

Excess Taxable Income

| | | | | |
|-----------|--|-----------|--|--|
| 38 | Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) | 38 | | |
| 39 | Subtract line 38 from line 26. (If zero or less, enter -0-.). | 39 | | |
| 40 | Divide line 39 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) | 40 | | |
| 41 | Excess Taxable Income. Multiply line 40 by line 22 | 41 | | |

Excess Business Interest Income

| | | | | |
|-----------|--|-----------|--|--|
| 42 | Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.). | 42 | | |
|-----------|--|-----------|--|--|

Form **8990** (12-2018)

SCHEDULE A Summary of Partner's Section 163(j) Excess Items

Any taxpayer that owns an interest in a partnership subject to section 163(j) should complete Schedule A before completing Part I.

| (a) Name of partnership | (b) EIN | Excess Business Interest Expense | | | (f) Current year excess taxable income | (g) Current year excess business interest income | (h) Excess business interest expense treated as paid or accrued (lesser of (e) or (f)) | (i) Current year excess business interest expense carryforward ((e) minus (h)) |
|-----------------------------|---------|----------------------------------|--------------------------|--------------------------|--|--|--|--|
| | | (c) Current year | (d) Prior year carryover | (e) Total ((c) plus (d)) | | | | |
| 43 _____ | | | | | | | | |
| _____ | | | | | | | | |
| _____ | | | | | | | | |
| _____ | | | | | | | | |
| _____ | | | | | | | | |
| 44 Total ▶ | | | | | | | | |

SCHEDULE B Summary of S Corporation Shareholder's Excess Taxable Income and Excess Business Interest Income

Any taxpayer that is required to complete Part I and is a shareholder in an S corporation that has excess taxable income or excess business interest income should complete Schedule B before completing Part I.

| (a) Name of S corporation | (b) EIN | (c) Current year excess taxable income | (d) Current year excess business interest income |
|-----------------------------|---------|--|--|
| 45 _____ | | | |
| _____ | | | |
| _____ | | | |
| 46 Total ▶ | | | |

Form **8990** (12-2018)

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► File a separate application for each return.

► Go to www.irs.gov/Form7004 for instructions and the latest information.

**Print
or
Type**

| | |
|--|--------------------|
| Name | Identifying number |
| SIZZLER USA ACQUISITION, INC. | 45-2381895 |
| Number, street, and room or suite no. (If P.O. box, see instructions.) | |
| 25910 ACERO ROAD, SUITE 350 | |
| City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).) | |
| MISSION VIEJO, CA 92691 | |

Note: File request for extension by the due date of the return. See instructions before completing this form.

Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns. See instructions.

1 Enter the form code for the return listed below that this application is for. **1** **2**

| Application Is For: | Form Code | Application Is For: | Form Code |
|---|-----------|-----------------------------------|-----------|
| Form 706-GS(D) | 01 | Form 1120-ND (section 4951 taxes) | 20 |
| Form 706-GS(T) | 02 | Form 1120-PC | 21 |
| Form 1041 (bankruptcy estate only) | 03 | Form 1120-POL | 22 |
| Form 1041 (estate other than a bankruptcy estate) | 04 | Form 1120-REIT | 23 |
| Form 1041 (trust) | 05 | Form 1120-RIC | 24 |
| Form 1041-N | 06 | Form 1120S | 25 |
| Form 1041-QFT | 07 | Form 1120-SF | 26 |
| Form 1042 | 08 | Form 3520-A | 27 |
| Form 1065 | 09 | Form 8612 | 28 |
| Form 1066 | 11 | Form 8613 | 29 |
| Form 1120 | 12 | Form 8725 | 30 |
| Form 1120-C | 34 | Form 8804 | 31 |
| Form 1120-F | 15 | Form 8831 | 32 |
| Form 1120-FSC | 16 | Form 8876 | 33 |
| Form 1120-H | 17 | Form 8924 | 35 |
| Form 1120-L | 18 | Form 8928 | 36 |
| Form 1120-ND | 19 | | |

Part II All Filers Must Complete This Part

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here. ☐
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here. ☒
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application. SEE STATEMENT 45
- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here. . . ☐
- 5a The application is for calendar year 20 __, or tax year beginning __ 04 / 30 __, 20 18 __, and ending __ 04 / 28 __, 20 19 __
- b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions - attach explanation)
- | | | |
|---|---|------|
| 6 Tentative total tax | 6 | NONE |
| 7 Total payments and credits. See instructions | 7 | NONE |
| 8 Balance due. Subtract line 7 from line 6. See instructions | 8 | NONE |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **7004** (Rev. 12-2018)

Supplemental Attachment to Schedule M-3

► Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

► Go to www.irs.gov/Form1120 for the latest information.**2018**

Name of common parent

SIZZLER USA ACQUISITION

Employer identification number

45-2381895

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity-based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Reserved | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | | | | |
| m Corporate-owned life insurance premiums | | | | |
| n Other section 263A costs | | | | |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach statement) | | | | |
| 7 Other items with no differences | 17,669,358. | STMT 46 | | 17,669,358. |
| 8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions | 17,669,358. | | | 17,669,358. |

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (2018)

Part II Interest Income

| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|----|---|--|--------------------------------|--------------------------------|--|
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income - From outside tax affiliated group | | | | |
| 4b | Intercompany interest income - From tax affiliated group | | | | |
| 5 | Other interest income | | | | |
| 6 | Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions. | | | | |

Part III Interest Expense

| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|----|--|--|--------------------------------|--------------------------------|---------------------------------|
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense - Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense - Paid to tax affiliated group | | | | |
| 4 | Other interest expense STMT 47 | 157,646. | | | 157,646. |
| 5 | Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions. | 157,646. | | | 157,646. |

Form **8916-A** (2018)

Supplemental Attachment to Schedule M-3

► Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

► Go to www.irs.gov/Form1120 for the latest information.**2018**

Name of common parent

SIZZLER USA ACQUISITION

Employer identification number

45-2381895

Name of subsidiary

SIZZLER USA RESTAURANTS, INC.

Employer identification number

95-2548114

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity-based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Reserved | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | | | | |
| m Corporate-owned life insurance premiums | | | | |
| n Other section 263A costs | | | | |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach statement). | | | | |
| 7 Other items with no differences | 17,669,358. | | | 17,669,358. |
| 8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions | 17,669,358. | | | 17,669,358. |

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (2018)

Part II Interest Income

| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|-----------|---|--|--------------------------------|--------------------------------|--|
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income - From outside tax affiliated group | | | | |
| 4b | Intercompany interest income - From tax affiliated group | | | | |
| 5 | Other interest income | | | | |
| 6 | Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions. | | | | |

Part III Interest Expense

| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|-----------|--|--|--------------------------------|--------------------------------|---------------------------------|
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense - Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense - Paid to tax affiliated group | | | | |
| 4 | Other interest expense | 157,646. | | | 157,646. |
| 5 | Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions. | 157,646. | | | 157,646. |

Form **8916-A** (2018)

**Regulation Section 1.263(a)-1(f) - De Minimis
Safe Harbor Election**

Taxpayer Name: SIZZLER USA FRANCHISE, INC.

Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691

Taxpayer ID Number: 95-4632167

Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election.

Regulation Section 1.263(a)-3(n) - Election to Capitalize Repair and Maintenance Costs

Taxpayer Name: SIZZLER USA FRANCHISE, INC.
Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691
Taxpayer ID Number: 95-4632167
Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-3(n), the taxpayer hereby elects to capitalize repair and maintenance costs.

**Regulation Section 1.263(a)-1(f) - De Minimis
Safe Harbor Election**

Taxpayer Name: SIZZLER USA REAL PROPERTY, INC.
Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691
Taxpayer ID Number: 95-4532171
Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election.

**Regulation Section 1.263(a)-3(n) - Election to
Capitalize Repair and Maintenance Costs**

Taxpayer Name: SIZZLER USA REAL PROPERTY, INC.
Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691
Taxpayer ID Number: 95-4532171
Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-3(n), the taxpayer hereby elects to capitalize repair and maintenance costs.

**Regulation Section 1.263(a)-1(f) - De Minimis
Safe Harbor Election**

Taxpayer Name: SIZZLER USA RESTAURANTS, INC.
Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691
Taxpayer ID Number: 95-2548114
Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election.

**Regulation Section 1.263(a)-3(n) - Election to
Capitalize Repair and Maintenance Costs**

Taxpayer Name: SIZZLER USA RESTAURANTS, INC.
Taxpayer Address: 25910 ACERO ROAD, SUITE 350 MISSION VIEJO CA 92691
Taxpayer ID Number: 95-2548114
Year-End: 04/28/2019

Under IRC Regulation Section 1.263(a)-3(n), the taxpayer hereby elects to capitalize repair and maintenance costs.

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*Assets Retired

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*Assets Retired

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2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|--------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| LEASE IMPROVEMENTS | 10/31/1970 | -116,475. | 100. | | | | 8,525. | 8,525. | S/L | S/L | 39.000 | | | | |
| LEASE ACQ COSTS | 10/31/1972 | 3,525. | 100. | | | 3,525. | 3,525. | 3,525. | S/L | S/L | 20.000 | | | | |
| LEASE ACQ COSTS | 10/31/1975 | -4,088. | 100. | | | | -4,088. | -4,088. | S/L | S/L | 20.000 | | | | |
| BUILDINGS | 10/31/1978 | 177,321. | 100. | | | 177,321. | 177,321. | 177,321. | S/L | S/L | 8.000 | | | | |
| LEASE ACQ COSTS | 10/31/1979 | 595. | 100. | | | 595. | 595. | 595. | S/L | S/L | 20.000 | | | | |
| LEASE ACQ COSTS | 01/31/1980 | 1. | 100. | | | 1. | 1. | 1. | S/L | S/L | 20.000 | | | | |
| LEASE IMPROVEMENTS | 01/31/1980 | 506,177. | 100. | | | 506,177. | 506,177. | 506,177. | S/L | S/L | 39.000 | | | | |
| LEASE ACQ COSTS | 10/31/1980 | -461,252. | 100. | | | | -461,252. | -461,252. | S/L | S/L | 20.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1980 | 134,566. | 100. | | | 134,566. | 134,566. | 134,566. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1981 | 4,257. | 100. | | | 4,257. | 4,257. | 4,257. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1982 | 780. | 100. | | | 780. | 780. | 780. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1983 | 26,888. | 100. | | | 26,888. | 26,888. | 26,888. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1984 | 641,357. | 100. | | | 641,357. | 641,357. | 641,357. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1985 | 194,380. | 100. | | | 194,380. | 194,380. | 194,380. | S/L | S/L | 5.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1985 | 179,899. | 100. | | | 179,899. | 179,899. | 179,899. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1986 | 8,843. | 100. | | | 8,843. | 8,843. | 8,843. | S/L | S/L | 39.000 | | | | |
| LEASE IMPROVEMENTS | 01/31/1987 | 176,964. | 100. | | | 176,964. | 176,964. | 176,964. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1987 | 9,408. | 100. | | | 9,408. | 9,408. | 9,408. | S/L | S/L | 31.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1987 | 865,464. | 100. | | | 865,464. | 865,464. | 865,464. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1988 | 9,739. | 100. | | | 9,739. | 9,739. | 9,739. | S/L | S/L | 31.000 | | | | |
| LAND IMPROVEMENTS | 10/31/1988 | 3,270. | 100. | | | 3,270. | 3,111. | 3,216. | S/L | S/L | 31.000 | | | | 105. |
| LEASE IMPROVEMENTS | 10/31/1988 | 1,130,941. | 100. | | | 1,130,941. | 1,130,941. | 1,130,941. | S/L | S/L | 39.000 | | | | |
| LAND IMPROVEMENTS | 10/31/1989 | 5,947. | 100. | | | 5,947. | 4,800. | 4,992. | S/L | S/L | 31.000 | | | | 192. |
| LEASE IMPROVEMENTS | 10/31/1989 | 2,084,531. | 100. | | | 2,084,531. | 2,084,531. | 2,084,531. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1990 | 392,279. | 100. | | | 392,279. | 392,279. | 392,279. | S/L | S/L | 31.000 | | | | |
| LAND | 10/31/1990 | 435,785. | 100. | | | | | | | | | | | | |
| LEASE IMPROVEMENTS | 10/31/1990 | 1,721,647. | 100. | | | 1,721,647. | 1,721,647. | 1,721,647. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1991 | 6,617. | 100. | | | 6,617. | 6,617. | 6,617. | S/L | S/L | 31.000 | | | | |
| LEASE IMPROVEMENTS | 10/31/1991 | -31,298. | 100. | | | | -38,751. | -38,751. | S/L | S/L | 39.000 | | | | |
| BUILDINGS | 10/31/1992 | 161,462. | 100. | | | 161,462. | 161,462. | 161,462. | S/L | S/L | 31.000 | | | | |
| LAND IMPROVEMENTS | 10/31/1992 | 19,432. | 100. | | | 19,432. | 12,310. | 12,808. | S/L | S/L | 39.000 | | | | 498. |
| LEASE IMPROVEMENTS | 05/11/1993 | 4,745. | 100. | | | 4,745. | 1,541. | 1,541. | S/L | MM | | | 39 | | |
| BUILDINGS | 10/31/1993 | 1,680. | 100. | | | 1,680. | 1,680. | 1,680. | S/L | MM | | | 39 | | |
| LEASE IMPROVEMENTS | 10/31/1993 | 75,223. | 100. | | | 75,223. | 45,853. | 47,782. | S/L | MM | | | 39 | | 1,929. |
| LEASE IMPROVEMENTS | 10/31/1993 | 16,468. | 100. | | | 16,468. | 16,468. | 16,468. | S/L | MM | | | 39 | | |
| BUILDINGS | 10/31/1995 | 48,919. | 100. | | | 48,919. | 27,981. | 29,235. | S/L | MM | | | 39 | | 1,254. |
| Less: Retired Assets | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | |

*Assets Retired

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2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|--------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| CAP BUILDING LEASES | 10/31/1972 | 1. | 100. | | | 1. | 1. | 1. | S/L | S/L | 1.000 | | | | |
| CAP BUILDING LEASES | 10/31/1973 | 1. | 100. | | | 1. | 1. | 1. | S/L | S/L | 1.000 | | | | |
| CAP BUILDING LEASES | 10/31/1978 | 472,484. | 100. | | | 472,484. | 472,484. | 472,484. | S/L | S/L | 20.000 | | | | |
| CAP BUILDING LEASES | 10/31/1988 | 360,419. | 100. | | | 360,419. | 323,461. | 334,901. | S/L | MM | | | 31.5 | | 11,440. |
| CAP BUILDING LEASES | 10/31/1989 | 393,982. | 100. | | | 393,982. | 347,327. | 359,836. | S/L | MM | | | 31.5 | | 12,509. |
| RESTAURANT EQUIP | 10/31/1991 | 142,992. | 100. | | | 142,992. | 142,992. | 142,992. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/1993 | 79,214. | 100. | | | 79,214. | 79,214. | 79,214. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/1994 | 165,693. | 100. | | | 165,693. | 164,902. | 164,902. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/1995 | 58,985. | 100. | | | 58,985. | 55,450. | 55,450. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/1996 | 136,727. | 100. | | | 136,727. | 123,227. | 123,227. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/1997 | 10,000. | 100. | | | 10,000. | 5,094. | 5,350. | S/L | MM | | | 39 | | 256. |
| RESTAURANT EQUIP | 10/31/1997 | 59,391. | 100. | | | 59,391. | 48,304. | 48,304. | 200 DB | HY | | | 5 | | |
| LEASE ACQ COSTS | 10/31/1998 | 10,000. | 100. | | | 10,000. | 10,000. | 10,000. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/1998 | 12,416. | 100. | | | 12,416. | 6,229. | 6,547. | S/L | MM | | | 39 | | 318. |
| RESTAURANT EQUIP | 10/31/1998 | 706,857. | 100. | | | 706,857. | 652,352. | 652,352. | 200 DB | HY | | | 5 | | |
| LAND IMPROVEMENTS | 10/31/1999 | 4,775. | 100. | | | 4,775. | 4,401. | 4,401. | 150 DB | HY | | | 15 | | |
| LEASE ACQ COSTS | 10/31/1999 | 17,280. | 100. | | | 17,280. | 17,280. | 17,280. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/1999 | 41,020. | 100. | | | 41,020. | 40,701. | 41,020. | S/L | MM | | | 39 | | 319. |
| RESTAURANT EQUIP | 10/31/1999 | 1,586,817. | 100. | | | 1,586,817. | 1,536,505. | 1,536,505. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/2000 | 225,099. | 100. | | | 225,099. | 125,967. | 131,739. | S/L | MM | | | 39 | | 5,772. |
| BUILDINGS | 10/31/2000 | 4,202. | 100. | | | 4,202. | 4,012. | 4,012. | 200 DB | HY | | | 7 | | |
| RESTAURANT EQUIP | 10/31/2000 | 1,457,370. | 100. | | | 1,457,370. | 1,429,250. | 1,429,250. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/2001 | 2,620. | 100. | | | 2,620. | 1,092. | 1,159. | S/L | MM | | | 39 | | 67. |
| LEASE IMPROVEMENTS | 10/31/2001 | 142,566. | 100. | | | 142,566. | 74,294. | 77,949. | S/L | MM | | | 39 | | 3,655. |
| COMP EQUIP & SOFTWARE | 10/31/2001 | 13,251. | 100. | | | 13,251. | 13,251. | 13,251. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/2001 | 294,649. | 100. | | | 294,649. | 293,375. | 293,375. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/2002 | 24,739. | 100. | | | 24,739. | 9,626. | 10,260. | S/L | MM | | | 39 | | 634. |
| LEASE IMPROVEMENTS | 10/31/2002 | 753,518. | 100. | | | 753,518. | 294,438. | 313,758. | S/L | MM | | | 39 | | 19,320. |
| COMP EQUIP & SOFTWARE | 10/31/2002 | 7,165. | 100. | | | 7,165. | 7,165. | 7,165. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/2002 | 441,563. | 100. | | | 441,563. | 429,392. | 429,392. | 200 DB | HY | | | 5 | | |
| PREPAID LIC FEES | 10/31/2003 | 2,848. | 100. | | | | | | | | | | | | |
| BUILDINGS | 10/31/2003 | 81,701. | 100. | | | 81,701. | 29,566. | 31,661. | S/L | MM | | | 39 | | 2,095. |
| COMP EQUIP & SOFTWARE | 10/31/2003 | 78,394. | 100. | | | 78,394. | 62,086. | 62,086. | 200 DB | HY | | | 3 | | |
| COMP EQUIP & SOFTWARE | 10/31/2003 | 58,358. | 100. | | | 58,358. | 58,358. | 58,358. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 10/31/2004 | 19,641. | 100. | | | 19,641. | 9,264. | 9,264. | 200 DB | HY | | | 3 | | |
| COMP EQUIP & SOFTWARE | 10/31/2004 | 85,881. | 100. | | | 85,881. | 85,325. | 85,325. | 200 DB | HY | | | 5 | | |
| Less: Retired Assets | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | |

*Assets Retired

2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|--------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| RESTAURANT EQUIP | 10/31/2004 | 1,055,023. | 100. | | | 1,055,023. | 1,055,023. | 1,055,023. | 200 DB | HY | | | 5 | | |
| BUILDINGS | 10/31/2005 | 7,722. | 100. | | | 7,722. | 2,492. | 2,690. | S/L | MM | | | 39 | | 198. |
| LEASE IMPROVEMENTS | 09/15/2007 | 16,015. | 100. | | | 16,015. | 4,229. | 4,640. | S/L | MM | | | 39 | | 411. |
| RESTAURANT EQUIP | 09/15/2007 | 92,350. | 100. | | | 92,350. | 92,349. | 92,349. | 200 DB | MQ | | | 5 | | |
| SMALLWARES | 11/01/2008 | 8,164. | 100. | | 4,082. | 4,082. | 4,082. | 4,082. | 200 DB | HY | | | 7 | | |
| COMP EQUIP & SOFTWARE | 11/01/2009 | 8,588. | 100. | | | 8,588. | 8,587. | 8,587. | 200 DB | HY | | | 5 | | |
| FURNITURE & FIXTURE | 11/01/2009 | 1,177. | 100. | | | 1,177. | 1,176. | 1,176. | 200 DB | HY | | | 7 | | |
| COMP EQUIP & SOFTWARE | 10/31/2000 | 179,497. | 100. | | | 179,497. | 178,653. | 178,653. | 200 DB | HY | | | 3 | | |
| ASPHALT COVERING | 03/10/2011 | 14,050. | 100. | | | 14,050. | 2,446. | 2,806. | S/L | MM | 39.000 | | 39 | | 360. |
| CAP BUILDING LEASES | 10/31/2002 | 776,052. | 100. | | | 776,052. | 528,595. | 528,595. | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 10/31/2000 | 2,855,704. | 100. | | | 2,855,704. | 1,564,291. | 1,637,511. | S/L | MM | | | 39 | | 73,220. |
| RESTAURANT EQUIP | 10/31/1992 | 387,113. | 100. | | | 387,113. | 387,113. | 387,113. | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 10/31/2003 | 3,336,806. | 100. | | | 3,336,806. | 1,227,050. | 1,312,606. | S/L | MM | | | 39 | | 85,556. |
| COMPUTER & SOFTWARE | 11/01/2008 | 778,080. | 100. | | 389,040. | 389,040. | 389,040. | 389,040. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/2003 | 868,750. | 100. | | | 868,750. | 832,824. | 832,824. | 200 DB | HY | | | 5 | | |
| CAP BUILDING LEASES | 10/31/2003 | 16,146. | 100. | | | 16,146. | 4,650. | 4,650. | 200 DB | HY | | | 5 | | |
| REMODEL ADA | 09/13/2011 | 65,719. | 100. | | | 65,719. | 32,459. | 36,336. | 150 DB | HY | | | 15 | | 3,877. |
| SMALLWARES | 11/01/2011 | 6,076. | 100. | | | 6,076. | 5,975. | 5,975. | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 10/31/2004 | 1,137,254. | 100. | | | 1,137,254. | 396,670. | 425,829. | S/L | MM | | | 39 | | 29,159. |
| LEASE IMPROVEMENTS | 10/31/2006 | 53,641. | 100. | | | 53,641. | 15,414. | 16,789. | S/L | MM | | | 39 | | 1,375. |
| LEASE IMPROVEMENTS | 12/15/2007 | 22,349. | 100. | | | 22,349. | 5,754. | 6,327. | S/L | MM | | | 39 | | 573. |
| FURNITURE & FIXTURE | 11/01/2008 | 1,807. | 100. | | 904. | 903. | 903. | 903. | 200 DB | HY | | | 7 | | |
| RESTAURANT EQUIP | 10/31/1990 | 242,840. | 100. | | | 242,840. | 242,840. | 242,840. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 12/15/2007 | 61,191. | 100. | | | 61,191. | 61,191. | 61,191. | 200 DB | MQ | | | 5 | | |
| REMODEL | 05/27/2012 | 24,768. | 100. | | 24,768. | | | | 150 DB | HY | | | 15 | | |
| REMODEL | 06/24/2012 | 235,451. | 100. | | 235,451. | | | | 150 DB | HY | | | 15 | | |
| REMODEL | 08/24/2012 | 3,423. | 100. | | 3,423. | | | | 150 DB | HY | | | 15 | | |
| REMODEL | 12/10/2012 | 351,324. | 100. | | 351,324. | | | | 150 DB | HY | | | 15 | | |
| LEASEHOLD IMPROVE. | 02/04/2013 | 353,573. | 100. | | 176,787. | 176,786. | 77,627. | 88,057. | 150 DB | HY | | | 15 | | 10,430. |
| FURNITURE & FIXTURE | 11/01/2012 | 57,688. | 100. | | 57,688. | | | | 200 DB | HY | | | 7 | | |
| FURNITURE & FIXTURE | 02/04/2013 | 11,832. | 100. | | 5,916. | 5,916. | 5,124. | 5,652. | 200 DB | HY | | | 7 | | 528. |
| COMP EQUIP & SOFTWARE | 02/04/2013 | 22,042. | 100. | | 11,021. | 11,021. | 11,021. | 11,021. | 200 DB | HY | | | 5 | | |
| PREPAID LIC FEES | 10/31/1992 | 9,755. | 100. | | | | | | | | | | | | |
| REMODEL | 04/29/2013 | 93,779. | 100. | | 46,890. | 46,889. | 16,578. | 19,344. | 150 DB | HY | | | 15 | | 2,766. |
| LEASEHOLD IMPROVE. | 04/29/2013 | 851. | 100. | | 426. | 425. | 149. | 174. | 150 DB | HY | | | 15 | | 25. |
| LEASEHOLD IMPROVE. | 05/27/2013 | 66,083. | 100. | | 33,042. | 33,041. | 12,450. | 14,508. | 150 DB | HY | | | 15 | | 2,058. |
| Less: Retired Assets | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | |

*Assets Retired

2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| LEASEHOLD IMPROVE. | 07/22/2013 | 10,231. | 100. | | 5,116. | 5,115. | 1,927. | 2,246. | 150 DB | HY | | | 15 | | 319. |
| LEASEHOLD IMPROVE. | 08/19/2013 | 272,828. | 100. | | 136,414. | 136,414. | 51,400. | 59,899. | 150 DB | HY | | | 15 | | 8,499. |
| LEASEHOLD IMPROVE. | 09/16/2013 | 38,009. | 100. | | 19,005. | 19,004. | 7,160. | 8,344. | 150 DB | HY | | | 15 | | 1,184. |
| LEASEHOLD IMPROVE. | 10/14/2013 | 16,980. | 100. | | 8,490. | 8,490. | 3,200. | 3,729. | 150 DB | HY | | | 15 | | 529. |
| FURNITURE & FIXTURE | 11/01/2013 | 102,474. | 100. | | 51,237. | 51,237. | 39,806. | 44,376. | 200 DB | HY | | | 7 | | 4,570. |
| COMP EQUIP & SOFTWARE | 11/01/2013 | 6,509. | 100. | | 3,255. | 3,254. | 3,067. | 3,254. | 200 DB | HY | | | 5 | | 187. |
| LEASE IMPROVEMENTS | 10/31/1999 | 209,064. | 100. | | | 209,064. | 120,365. | 125,725. | S/L | MM | | | 39 | | 5,360. |
| LEASE IMPROVEMENTS | 06/15/2007 | 11,554. | 100. | | | 11,554. | 3,122. | 3,418. | S/L | MM | | | 39 | | 296. |
| REMODEL | 06/18/2011 | 307,282. | 100. | | | 307,282. | 151,778. | 169,908. | 150 DB | HY | | | 15 | | 18,130. |
| REMODEL | 10/15/2012 | 335,470. | 100. | | 335,470. | | | | 150 DB | HY | | | 15 | | |
| COMP EQUIP & SOFTWARE | 10/31/2000 | 26,522. | 100. | | | 26,522. | 26,559. | 26,559. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 10/31/2006 | 24,921. | 100. | | | 24,921. | 24,921. | 24,921. | 200 DB | HY | | | 3 | | |
| COMP EQUIP & SOFTWARE | 09/15/2007 | 6,137. | 100. | | | 6,137. | 6,137. | 6,137. | 200 DB | MQ | | | 5 | | |
| COMP EQUIP & SOFTWARE | 03/15/2008 | 205,528. | 100. | | | 205,528. | 205,528. | 205,528. | 200 DB | MQ | | | 5 | | |
| RESTAURANT EQUIP | 10/31/1990 | 107,923. | 100. | | | 107,923. | 107,923. | 107,923. | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 10/31/1999 | 159,115. | 100. | | | 159,115. | 91,610. | 95,690. | S/L | MM | | | 39 | | 4,080. |
| REMODEL | 12/01/2012 | 67,486. | 100. | | | 67,486. | 19,847. | 23,829. | 150 DB | HY | | | 15 | | 3,982. |
| FURNITURE & FIXTURE | 05/25/2014 | 18,570. | 100. | | 9,285. | 9,285. | 2,855. | 3,498. | 150 DB | HY | | | 15 | | 643. |
| FURNITURE & FIXTURE | 12/31/2014 | 22,784. | 100. | | 11,392. | 11,392. | 3,503. | 4,292. | 150 DB | HY | | | 15 | | 789. |
| COMP EQUIP & SOFTWARE | 12/31/2014 | 93,462. | 100. | | 46,731. | 46,731. | 38,655. | 44,038. | 200 DB | HY | | | 5 | | 5,383. |
| COMP EQUIP & SOFTWARE | 11/01/2012 | 18,148. | 100. | | 18,148. | | | | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 01/11/2016 | 17,877. | 100. | | 8,939. | 8,938. | 2,060. | 2,748. | 150 DB | HY | | | 15 | | 688. |
| FURNITURE & FIXTURE | 07/27/2015 | 11,050. | 100. | | 5,525. | 5,525. | 3,109. | 3,799. | 200 DB | HY | | | 7 | | 690. |
| FURNITURE & FIXTURE | 03/07/2016 | 3,615. | 100. | | 1,808. | 1,807. | 1,017. | 1,243. | 200 DB | HY | | | 7 | | 226. |
| RESTAURANT EQUIP | 01/11/2016 | 58,494. | 100. | | 29,247. | 29,247. | 20,823. | 24,192. | 200 DB | HY | | | 5 | | 3,369. |
| LEASE IMPROVEMENTS | 04/03/2017 | 348,972. | 100. | | 174,486. | 174,486. | 25,300. | 40,219. | 150 DB | HY | | | 15 | | 14,919. |
| FURNITURE & FIXTURE | 09/19/2016 | 17,997. | 100. | | 8,999. | 8,998. | 3,490. | 5,064. | 200 DB | HY | | | 7 | | 1,574. |
| FURNITURE & FIXTURE | 01/09/2017 | 42,600. | 100. | | 21,300. | 21,300. | 8,260. | 11,985. | 200 DB | HY | | | 7 | | 3,725. |
| COMP EQUIP & SOFTWARE | 05/02/2016 | 117,864. | 100. | | 58,932. | 58,932. | 30,644. | 41,959. | 200 DB | HY | | | 5 | | 11,315. |
| COMP EQUIP & SOFTWARE | 03/06/2017 | 2,908. | 100. | | 1,454. | 1,454. | 756. | 1,035. | 200 DB | HY | | | 5 | | 279. |
| RESTAURANT EQUIP | 05/02/2016 | 182,340. | 100. | | 91,170. | 91,170. | 47,408. | 64,913. | 200 DB | HY | | | 5 | | 17,505. |
| RESTAURANT EQUIP | 01/09/2017 | 105,790. | 100. | | 52,895. | 52,895. | 27,505. | 37,661. | 200 DB | HY | | | 5 | | 10,156. |
| LEASE IMPROVEMENTS | 10/31/2005 | 406,936. | 100. | | | 406,936. | 131,974. | 142,408. | S/L | MM | | | 39 | | 10,434. |
| LEASEHOLD IMPROVE. | 11/01/2012 | 260,580. | 100. | | 260,580. | | | | 150 DB | HY | | | 15 | | |
| LEASEHOLD IMPROVE. | 04/28/2014 | 882,781. | 100. | | 441,390. | 441,391. | 124,383. | 151,882. | 150 DB | HY | | | 15 | | 27,499. |
| LEASE IMPROVEMENTS | 05/04/2015 | 55,779. | 100. | | 27,889. | 27,890. | 6,430. | 8,578. | 150 DB | HY | | | 15 | | 2,148. |
| Less: Retired Assets | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | |

*Assets Retired

2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| FURNITURE & FIXTURE | 02/03/2014 | 12,332. | 100. | | | 12,332. | 9,580. | 10,680. | 200 DB | HY | | | 7 | | 1,100. |
| FURNITURE & FIXTURE | 04/28/2014 | 80,269. | 100. | | 40,134. | 40,135. | 21,352. | 24,932. | 200 DB | HY | | | 7 | | 3,580. |
| COMP EQUIP & SOFTWARE | 10/31/2005 | 6,795. | 100. | | | 6,795. | 6,794. | 6,794. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 11/01/2011 | 12,943. | 100. | | | 12,943. | 12,943. | 12,943. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 04/28/2014 | 59,099. | 100. | | 29,549. | 29,550. | 18,391. | 20,093. | 200 DB | HY | | | 5 | | 1,702. |
| COMP EQUIP & SOFTWARE | 05/04/2015 | 38,307. | 100. | | 19,153. | 19,154. | 13,638. | 15,845. | 200 DB | HY | | | 5 | | 2,207. |
| * RESTAURANT EQUIP | 10/31/2005 | 131,989. | 100. | | | 131,989. | 131,989. | 131,989. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 11/01/2012 | 207,921. | 100. | | 207,921. | | | | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 04/28/2014 | 213,199. | 100. | | 106,600. | 106,599. | 66,347. | 72,487. | 200 DB | HY | | | 5 | | 6,140. |
| LEASE IMPROVEMENTS | 05/01/2017 | 49,442. | 100. | | 24,721. | 24,721. | 1,236. | 3,584. | 150 DB | HY | | | 15 | | 2,348. |
| LEASE IMPROVEMENTS | 01/08/2018 | 6,286. | 100. | | 6,286. | | | | 150 DB | HY | | | 15 | | |
| FURNITURE & FIXTURE | 06/26/2017 | 2,340. | 100. | | 1,170. | 1,170. | 167. | 454. | 200 DB | HY | | | 7 | | 287. |
| FURNITURE & FIXTURE | 10/16/2017 | 1,442. | 100. | | 1,442. | | | | 200 DB | HY | | | 7 | | |
| FURNITURE & FIXTURE | 04/02/2018 | 1,106. | 100. | | 1,106. | | | | 200 DB | HY | | | 7 | | |
| COMP EQUIP & SOFTWARE | 05/01/2017 | 8,923. | 100. | | 4,462. | 4,461. | 892. | 2,320. | 200 DB | HY | | | 5 | | 1,428. |
| COMP EQUIP & SOFTWARE | 10/16/2017 | 1,815. | 100. | | 1,815. | | | | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 01/08/2018 | 5,999. | 100. | | 5,999. | | | | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/16/2017 | 69,596. | 100. | | 69,596. | | | | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 01/08/2018 | 25,900. | 100. | | 25,900. | | | | 200 DB | HY | | | 5 | | |
| LEASE IMPROVEMENTS | 08/20/2018 | 22,037. | 100. | | 22,037. | | | | 150 DB | MQ | | | 15 | | |
| LEASE IMPROVEMENTS | 04/01/2019 | 98,767. | 100. | | 98,767. | | | | 150 DB | MQ | | | 15 | | |
| COMP EQUIP & SOFTWARE | 04/30/2018 | 13,800. | 100. | | 13,800. | | | | 200 DB | MQ | | | 5 | | |
| COMP EQUIP & SOFTWARE | 02/04/2019 | 10,590. | 100. | | 10,590. | | | | 200 DB | MQ | | | 5 | | |
| RESTAURANT EQUIP | 01/07/2019 | 156,817. | 100. | | 156,817. | | | | 200 DB | MQ | | | 5 | | |
| * RESTAURANT EQUIP | 04/30/2018 | 8,285. | 100. | | | 8,285. | | | 200 DB | MQ | | | 5 | | |
| RESTAURANT EQUIP | 04/30/2018 | 177,316. | 100. | | 177,316. | | | | 200 DB | MQ | | | 5 | | |
| * FURNITURE & FIXTURE | 06/25/2018 | 1,450. | 100. | | | 1,450. | | | 200 DB | MQ | | | 7 | | |
| FURNITURE & FIXTURE | 06/25/2018 | 46,677. | 100. | | 46,677. | | | | 200 DB | MQ | | | 7 | | |
| * LEASE IMPROVEMENTS | 10/16/2017 | 11,988. | 100. | | 11,988. | | | | 150 DB | HY | | | 15 | | |
| LEASE IMPROVEMENTS | 10/16/2017 | 101,866. | 100. | | 101,866. | | | | 150 DB | HY | | | 15 | | |
| * RESTAURANT EQUIP | 05/01/2017 | 3,315. | 100. | | 1,658. | 1,657. | 331. | 596. | 200 DB | HY | | | 5 | | 265. |
| * RESTAURANT EQUIP | 05/01/2017 | 8,501. | 100. | | 4,251. | 4,250. | 850. | 1,530. | 200 DB | HY | | | 5 | | 680. |
| RESTAURANT EQUIP | 05/01/2017 | 69,379. | 100. | | 34,689. | 34,690. | 6,938. | 18,039. | 200 DB | HY | | | 5 | | 11,101. |
| * COMP EQUIP & SOFTWARE | 10/31/2006 | 861. | 100. | | | 861. | 861. | 861. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 10/31/2006 | 66,948. | 100. | | | 66,948. | 66,946. | 66,946. | 200 DB | HY | | | 5 | | |
| * RESTAURANT EQUIP | 10/31/2006 | 6,904. | 100. | | | 6,904. | 6,904. | 6,904. | 200 DB | HY | | | 5 | | |
| Less: Retired Assets | | | | | | | | | | | | | | | |
| TOTALS | | | | | | | | | | | | | | | |

*Assets Retired

2018 Depreciation

| Description of Property | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------|--------------------------|--------|--------------------------|-----------------|------------------------|------------------------------------|---------------------------------|--------|------------|------|------------|--------------|-------------------------|---------------------------|
| GENERAL DEPRECIATION AND AMORTIZATION | | | | | | | | | | | | | | | |
| Asset description | Date placed in service | Unadjusted cost or basis | Bus. % | 179 exp. reduc. in basis | Basis Reduction | Basis for depreciation | Beginning Accumulated Depreciation | Ending Accumulated Depreciation | Method | Convention | Life | ACRS class | MA CRS class | Current -yr 179 expense | Current-year depreciation |
| * COMP EQUIP & SOFTWARE | 12/15/2007 | 290. | 100. | | | 290. | 290. | 290. | 200 DB | MQ | | | 5 | | |
| COMP EQUIP & SOFTWARE | 12/15/2007 | 13,980. | 100. | | | 13,980. | 13,980. | 13,980. | 200 DB | MQ | | | 5 | | |
| * RESTAURANT EQUIP | 06/15/2007 | 11,685. | 100. | | | 11,685. | 11,685. | 11,685. | 200 DB | MQ | | | 5 | | |
| RESTAURANT EQUIP | 06/15/2007 | 21,846. | 100. | | | 21,846. | 21,845. | 21,845. | 200 DB | MQ | | | 5 | | |
| * RESTAURANT EQUIP | 11/01/2011 | 11,504. | 100. | | | 11,504. | 11,312. | 11,312. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 11/01/2011 | 66,893. | 100. | | | 66,893. | 65,778. | 65,778. | 200 DB | HY | | | 5 | | |
| * RESTAURANT EQUIP | 11/01/2013 | 9,171. | 100. | | 4,586. | 4,585. | 4,321. | 4,453. | 200 DB | HY | | | 5 | | 132. |
| RESTAURANT EQUIP | 11/01/2013 | 162,222. | 100. | | 81,111. | 81,111. | 76,439. | 81,111. | 200 DB | HY | | | 5 | | 4,672. |
| * RESTAURANT EQUIP | 05/04/2015 | 6,636. | 100. | | 3,318. | 3,318. | 2,362. | 2,553. | 200 DB | HY | | | 5 | | 191. |
| RESTAURANT EQUIP | 05/04/2015 | 70,125. | 100. | | 35,063. | 35,062. | 24,965. | 29,004. | 200 DB | HY | | | 5 | | 4,039. |
| * COMP EQUIP & SOFTWARE | 03/07/2016 | 4,933. | 100. | | 2,467. | 2,466. | 1,756. | 1,898. | 200 DB | HY | | | 5 | | 142. |
| COMP EQUIP & SOFTWARE | 03/07/2016 | 78,824. | 100. | | 39,412. | 39,412. | 28,061. | 32,601. | 200 DB | HY | | | 5 | | 4,540. |
| * LEASE IMPROVEMENTS | 06/27/2016 | 10,130. | 100. | | 5,065. | 5,065. | 734. | 951. | 150 DB | HY | | | 15 | | 217. |
| LEASE IMPROVEMENTS | 06/27/2016 | 106,447. | 100. | | 53,224. | 53,223. | 7,717. | 12,268. | 150 DB | HY | | | 15 | | 4,551. |
| * RESTAURANT EQUIP | 02/04/2013 | 6,503. | 100. | | 3,252. | 3,251. | 3,251. | 3,251. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 02/04/2013 | 110,220. | 100. | | 55,110. | 55,110. | 55,110. | 55,110. | 200 DB | HY | | | 5 | | |
| * RESTAURANT EQUIP | 12/31/2014 | 9,895. | 100. | | 4,948. | 4,947. | 4,092. | 4,377. | 200 DB | HY | | | 5 | | 285. |
| RESTAURANT EQUIP | 12/31/2014 | 19,996. | 100. | | 9,998. | 9,998. | 8,270. | 9,422. | 200 DB | HY | | | 5 | | 1,152. |
| * COMP EQUIP & SOFTWARE | 11/01/2010 | 828. | 100. | | | 828. | 828. | 828. | 200 DB | HY | | | 5 | | |
| COMP EQUIP & SOFTWARE | 11/01/2010 | 29,465. | 100. | | | 29,465. | 29,465. | 29,465. | 200 DB | HY | | | 5 | | |
| * RESTAURANT EQUIP | 11/01/2011 | 4,900. | 100. | | | 4,900. | 4,819. | 4,819. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 11/01/2011 | 31,070. | 100. | | | 31,070. | 30,553. | 30,553. | 200 DB | HY | | | 5 | | |
| * RESTAURANT EQUIP | 10/31/2006 | 82,298. | 100. | | | 82,298. | 82,297. | 82,297. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIP | 10/31/2006 | 54,550. | 100. | | | 54,550. | 54,550. | 54,550. | 200 DB | HY | | | 5 | | |
| * LEASEHOLD IMPROVE. | 11/01/2008 | 3,208. | 100. | | | 3,208. | 771. | 850. | S/L | MM | | | 39 | | 79. |
| LEASEHOLD IMPROVE. | 11/01/2008 | 216,313. | 100. | | | 216,313. | 52,002. | 57,548. | S/L | MM | | | 39 | | 5,546. |
| * RESTAURANT EQUIPMENT | 11/01/2008 | 3,498. | 100. | | 1,749. | 1,749. | 1,749. | 1,749. | 200 DB | HY | | | 5 | | |
| RESTAURANT EQUIPMENT | 11/01/2008 | 34,403. | 100. | | 17,201. | 17,202. | 17,201. | 17,201. | 200 DB | HY | | | 5 | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Less: Retired Assets | | -338,772. | | | -43,282. | -295,490. | -271,202. | -273,193. | | | | | | | |
| TOTALS | | 28,336,147. | | | 4,669,451. | 23,654,093. | 16,176,823. | 16,656,615. | | | | | | | |

*Assets Retired

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Consolidated Schedules
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| | COMBINED | SIZZLER ELIMINATIONS COMPANY | ADJUSTMENTS | SIZZLER USA ACQUISITION, INC |
|--|----------|------------------------------------|-------------|---------------------------------|
|--|----------|------------------------------------|-------------|---------------------------------|

| | | | | |
|----|--|-------------|---------|-------------|
| 1a | Gross receipts or sales | 30,373,661. | | 30,373,661. |
| 1b | Returns and allowances | | | |
| 1c | Balance | 30,373,661. | | 30,373,661. |
| 2 | Cost of goods sold | 17,669,358. | | 17,669,358. |
| 3 | Gross profit | 12,704,303. | | 12,704,303. |
| 4 | Dividends | | | |
| 5 | Interest | | | |
| 6 | Gross rents | 63,288. | | 63,288. |
| 7 | Gross royalties | 7,486,807. | | 7,486,807. |
| 8 | Capital gain net | | | |
| 9 | income | | | |
| 9 | Net gain or (loss) | -22,297. | | -22,297. |
| | from Form 4797 | | | |
| 10 | Other income | 28,498. | | 28,498. |
| 11 | Total income | 20,260,599. | | 20,260,599. |
| 12 | Compensation of officers | | | |
| 13 | Salaries and wages | 6,201,870. | | 6,201,870. |
| 14 | Repairs and maintenance | | | |
| 15 | Bad debts | 130,956. | | 130,956. |
| 16 | Rents | 2,863,137. | | 2,863,137. |
| 17 | Taxes and licenses | 1,525,404. | | 1,525,404. |
| 18 | Interest | 157,646. | | 157,646. |
| 19 | Charitable contributions | 6,463. | -6,463. | NONE |
| 20 | Depreciation | 1,028,431. | | 1,028,431. |
| 21 | Depletion | | | |
| 22 | Advertising | | | |
| 23 | Pension, profit-sharing etc., plans | | | |
| 24 | Employee benefit programs | 1,155,242. | | 1,155,242. |
| 25 | Reserved for future use | | | |
| 26 | Other deductions | 7,715,359. | | 7,715,359. |
| 27 | Total deductions | 20,784,508. | -6,463. | 20,778,045. |
| 28 | Taxable income before NOL & Spec. Deductions | -523,909. | 6,463. | -517,446. |
| 29 | NOL, Spec. deductions | NONE | NONE | NONE |
| 30 | Taxable income | -523,909. | 6,463. | -517,446. |

JSA

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STATEMENT

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Consolidated Schedules
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| | SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. |
|-----|----------------------------|-----------------|------------------------------|---|-------------------|--------------------------------|------------------------------------|----------------------------------|
| | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 |
| 1a | | | | | | | | 30,373,661. |
| 1b | | | | | | | | |
| 1c | | | | | | | | 30,373,661. |
| 2 | | | | | | | | 17,669,358. |
| 3 | | | | | | | | 12,704,303. |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | 63,288. | |
| 7 | | | | | | 7,486,807. | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | -22,297. |
| 10 | | | | | | 28,498. | | |
| 11 | | | | | | 7,515,305. | 63,288. | 12,682,006. |
| 12 | | | | | | | | |
| 13 | | | | | | | | 6,201,870. |
| 14 | | | | | | | | |
| 15 | | | | | | 147,392. | 84,005. | -100,441. |
| 16 | | | | | | | -3,425. | 2,866,562. |
| 17 | 10,998. | | | | | 13,109. | 9,082. | 1,492,215. |
| 18 | | | | | | | | 157,646. |
| 19 | | | | | | | | 6,463. |
| 20 | | | | | | 3,663. | 16,981. | 1,007,787. |
| 21 | | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | 1,244. | | 1,153,998. |
| 25 | | | | | | | | |
| 26 | | | | 862,818. | | 964,260. | 8,115. | 5,880,166. |
| 27 | 10,998. | | | 862,818. | | 1,129,668. | 114,758. | 18,666,266. |
| 28 | -10,998. | NONE | NONE | -862,818. | NONE | 6,385,637. | -51,470. | -5,984,260. |
| 29 | NONE | NONE | | | | | | |
| 30 | -10,998. | NONE | NONE | -862,818. | NONE | 6,385,637. | -51,470. | -5,984,260. |
| JSA | | | | | | | | |

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LINE 10 - OTHER INCOME

SIZZLER USA FRANCHISE, INC.

FRANCHISE FEE INCOME

28,498.

SUBTOTAL

28,498.

TOTAL LINE 10 - OTHER INCOME

28,498.

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LINE 17 - TAXES SUMMARY

| | |
|--------------------------------|------------|
| TAXES (EXCLUDING INCOME TAXES) | 1,500,297. |
| OTHER STATE AND LOCAL TAXES | 25,107. |
| | ----- |
| TOTAL LINE 17 - TAXES | 1,525,404. |
| | ===== |

LINE 17 - TAXES (EXCLUDING INCOME TAXES)

=====

SIZZLER USA REAL PROPERTY, INC.

| | |
|--------------------------|--------|
| OTHER TAXES AND LICENSES | 8,582. |
| | ----- |
| SUBTOTAL | 8,582. |
| | ----- |

SIZZLER USA RESTAURANTS, INC.

| | |
|--|------------|
| OTHER TAXES AND LICENSES | 1,491,715. |
| | ----- |
| SUBTOTAL | 1,491,715. |
| | ----- |
| TOTAL - TAXES (EXCLUDING INCOME TAXES) | 1,500,297. |
| | ===== |

LINE 17 - OTHER STATE AND LOCAL TAXES

=====

SIZZLER USA ACQUISITION

| | |
|-----------------------------|---------|
| OTHER STATE AND LOCAL TAXES | 10,998. |
| | ----- |
| SUBTOTAL | 10,998. |
| | ----- |

SIZZLER USA FRANCHISE, INC.

| | |
|-----------------------------|---------|
| OTHER STATE AND LOCAL TAXES | 13,109. |
| | ----- |
| SUBTOTAL | 13,109. |
| | ----- |

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=====LINE 17 - OTHER STATE AND LOCAL TAXES (CONT'D)
=====SIZZLER USA REAL PROPERTY, INC.
-----STATE AND LOCAL INCOME TAX 500.
-----SUBTOTAL 500.
-----SIZZLER USA RESTAURANTS, INC.
-----STATE AND LOCAL INCOME TAX 500.
-----SUBTOTAL 500.
-----TOTAL - OTHER STATE AND LOCAL TAXES 25,107.
=====

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LINE 19 - CONTRIBUTIONS DEDUCTION

| | |
|--|-------------|
| 1. TAXABLE INCOME EXCLUDING CONTRIBUTIONS | -517,446. |
| 2. LESS: NOL CARRYOVER | 2,656,889. |
| 3. PLUS: CAPITAL LOSS CARRYBACK | |
| 4. TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS, SPECIAL DEDUCTIONS, NOL CARRYBACKS, AND CAPITAL LOSS CARRYBACKS | -3,174,335. |
| 5. CONTRIBUTION DEDUCTION LIMITATION (TAXABLE INCOME X 10%) | NONE |
| 6. AMOUNT OF DEDUCTIBLE CONTRIBUTIONS | 39,841. |
| 7. CONTRIBUTION DEDUCTION (LESSER OF LINE 5 OR LINE 6) | NONE |

LINE 19 - 5 YEAR CONTRIBUTION CARRYOVER - 10% INCOME CAP

| YEAR ENDING | AMOUNT AVAILABLE | AMOUNT UTILIZED | CONVERTED TO NOL CARRYOVER | CARRYOVER TO NEXT YEAR |
|-------------|------------------|-----------------|----------------------------|------------------------|
| 04/30/2017 | 8,908. | NONE | | 8,908. |
| 04/29/2018 | 24,470. | NONE | 16,862. | 7,608. |
| 04/28/2019 | 6,463. | NONE | | 6,463. |
| TOTAL | 39,841. | NONE | 16,862. | 22,979. |

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LINE 19 - CURRENT YEAR CONTRIBUTIONS

SIZZLER USA RESTAURANTS, INC.

CHARITABLE CONTRIBUTIONS (CURRENT YEAR)

6,463.

TOTAL

6,463.

TOTAL CURRENT YEAR CONTRIBUTIONS

6,463.

LINE 26 - SUMMARY OF TRAVEL, MEALS AND ENTERTAINMENT

WORLDWIDE RESTAURANT CONCEPTS, INC.

100% ALLOWABLE TRAVEL AND ENTERTAINMENT

308.

SUBTOTAL

308.

SIZZLER USA FRANCHISE, INC.

100% ALLOWABLE TRAVEL AND ENTERTAINMENT

3,126.

NET MEALS AND ENTERTAINMENT TO OTHER DEDUCTIONS

224.

SUBTOTAL

3,350.

SIZZLER USA RESTAURANTS, INC.

GROSS MEALS AND ENTERTAINMENT

78,424.

LESS 50% LIMITATION TO SCH M-1

39,212.

NET MEALS AND ENTERTAINMENT TO OTHER DEDUCTIONS

39,212.

100% ALLOWABLE TRAVEL AND ENTERTAINMENT

315,693.

SUBTOTAL

354,905.

TOTAL LINE 26 - TRAVEL, MEALS AND ENTERTAINMENT

358,563.

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LINE 26 - OTHER DEDUCTIONS

WORLDWIDE RESTAURANT CONCEPTS, INC.

| | |
|---------------------------------|----------|
| TRAVEL, MEALS AND ENTERTAINMENT | 308. |
| SERP ACCRUAL | 862,510. |
| | ----- |
| SUBTOTAL | 862,818. |
| | ----- |

SIZZLER USA FRANCHISE, INC.

| | |
|---------------------------------|----------|
| TRAVEL, MEALS AND ENTERTAINMENT | 3,350. |
| MISCELLANEOUS OPERATING EXPENSE | 30,024. |
| OFFICE SUPPLIES | 12. |
| EMPLOYEE EXPENSE | 536. |
| FRANCHISE EXPENSE | 928,793. |
| BONUS PAY | 1,545. |
| | ----- |
| SUBTOTAL | 964,260. |
| | ----- |

SIZZLER USA REAL PROPERTY, INC.

| | |
|-----------|--------|
| UTILITIES | 8,115. |
| | ----- |
| SUBTOTAL | 8,115. |
| | ----- |

SIZZLER USA RESTAURANTS, INC.

| | |
|--|------------|
| TRAVEL, MEALS AND ENTERTAINMENT | 354,905. |
| BUILDING MAINTENANCE AND EQUIPMENT REPLACEMENT EXP | 617,540. |
| DISPUTES | 23,666. |
| MISCELLANEOUS OPERATING EXPENSE | -62,514. |
| RESEARCH AND DEVELOPMENT | 9,526. |
| ADVERTISING EXPENSE | 1,245,749. |
| UTILITIES | 1,627,276. |
| OFFICE SUPPLIES | 244,015. |
| EMPLOYEE EXPENSE | 23,676. |
| VEHICLE EXPENSE | 179,429. |
| PROFESSIONAL FEES | 704,517. |
| INSURANCE EXPENSE | 821,959. |
| BANK FEES | 131,816. |
| FRANCHISE EXPENSE | -928,793. |
| OUTSIDE SERVICES | 361,155. |
| | |
| ADP FEES / PAYROLL FEES | 1,077. |
| CREDIT CARD FEES | 380,678. |

CONTINUED ON NEXT PAGE

STATEMENT 8

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LINE 26 - OTHER DEDUCTIONS (CONT'D)

| | |
|----------------------------------|------------|
| SMALLWARES | 133,073. |
| MEETING & CONFERENCE FEES | 11,416. |
| | ----- |
| SUBTOTAL | 5,880,166. |
| | ----- |
| TOTAL LINE 26 - OTHER DEDUCTIONS | 7,715,359. |
| | ===== |

FORM 1120, PAGE 1 DETAIL

NON-SRLY NOL CARRYOVER SCHEDULE

SIZZLER USA ACQUISITION, INC.

| YEAR ENDING | ORIGINAL NOL | AMOUNT AVAILABLE | AMOUNT USED IN CURRENT YEAR | CONVERTED CONTRIBUTIONS | CARRYOVER TO NEXT YEAR |
|-------------|--------------|---------------------|-----------------------------------|----------------------------|---------------------------|
| 04/29/2012 | 2,730,927. | 561,130. | | | 561,130. |
| 04/28/2013 | | | | | |
| 04/27/2014 | 1,164,927. | 1,164,927. | | | 1,164,927. |
| 05/03/2015 | | | | | |
| 05/01/2016 | | | | | |
| 04/30/2017 | 930,832. | 930,832. | | | 930,832. |
| 04/29/2018 | | | | | |
| 04/28/2019 | 517,446. | 517,446. | | | 517,446. |
| TOTAL | 5,344,132. | 3,174,335. | | | 3,174,335. |

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NON-SRLY NOL CARRYOVER SCHEDULE

SIZZLER USA ACQUISITION

| YEAR ENDING | ORIGINAL NOL | AMOUNT AVAILABLE | AMOUNT USED IN CURRENT YEAR | CONVERTED CONTRIBUTIONS | CARRYOVER TO NEXT YEAR |
|-------------|--------------|---------------------|-----------------------------------|----------------------------|---------------------------|
| 04/29/1999 | | | | | |
| 04/29/2000 | | | | | |
| 04/29/2001 | | | | | |
| 04/29/2002 | | | | | |
| 04/29/2003 | | | | | |
| 04/29/2004 | | | | | |
| 04/29/2005 | | | | | |
| 04/29/2006 | | | | | |
| 04/29/2007 | | | | | |
| 04/29/2008 | | | | | |
| 04/29/2009 | | | | | |
| 04/29/2010 | | | | | |
| 04/29/2011 | | | | | |
| 04/29/2012 | 2,730,927. | 561,130. | | | 561,130. |
| 04/28/2013 | | | | | |
| 04/27/2014 | 1,164,927. | 1,164,927. | | | 1,164,927. |
| 05/03/2015 | | | | | |
| 05/01/2016 | | | | | |
| 04/30/2017 | 930,832. | 930,832. | | | 930,832. |
| 04/29/2018 | | | | | |
| 12/31/2018 | | | | | |
| TOTAL | 4,826,686. | 2,656,889. | | | 2,656,889. |

FORM 1120, PAGE 1 DETAIL

SECTION 382 NOL CARRYOVER SCHEDULE

SIZZLER USA ACQUISITION, INC.

| YEAR ENDING | ORIGINAL NOL | AMOUNT AVAILABLE | AMOUNT LIMITED | AMOUNT USED IN CURRENT YEAR | CARRYOVER TO NEXT YEAR |
|-------------|--------------|---------------------|-------------------|--------------------------------|---------------------------|
| 04/29/1999 | 31,320,360. | 24,336,108. | | | |
| 04/29/1999 | | | | | |
| 04/29/2004 | 12,229,616. | 10,359,667. | | | 10,359,667. |
| 04/29/2007 | 522,516. | 522,516. | | | 522,516. |
| 04/29/2008 | 369,820. | 369,820. | | | 369,820. |
| 04/29/2009 | 3,674,010. | 3,674,010. | | | 3,674,010. |
| 04/29/2010 | 10,170,177. | 10,170,177. | | | 10,170,177. |
| 04/29/2011 | 890,017. | 890,017. | | | 890,017. |
| 04/29/2012 | | | | | |
| 04/28/2013 | | | | | |
| 04/27/2014 | | | | | |
| 05/03/2015 | | | | | |
| 05/01/2016 | | | | | |
| 04/30/2017 | | | | | |
| 04/29/2018 | | | | | |
| 04/28/2019 | | | | | |
| TOTAL | 59,176,516. | 50,322,315. | | | 25,986,207. |

FORM 1120, PAGE 1 DETAIL

SECTION 382 NOL CARRYOVER SCHEDULE

US HOLDCO, INC.

| YEAR ENDING | ORIGINAL NOL | AMOUNT AVAILABLE | AMOUNT LIMITED | AMOUNT USED IN CURRENT YEAR | CARRYOVER TO NEXT YEAR |
|-------------|--------------|---------------------|-------------------|--------------------------------|---------------------------|
| 04/30/1999 | 31,320,360. | 24,336,108. | | | |
| 04/30/2000 | | | | | |
| 04/30/2001 | | | | | |
| 04/30/2002 | | | | | |
| 04/30/2003 | | | | | |
| 04/30/2004 | 12,229,616. | 10,359,667. | | | 10,359,667. |
| 04/30/2005 | | | | | |
| 04/30/2006 | | | | | |
| 04/29/2007 | 522,516. | 522,516. | | | 522,516. |
| 04/27/2008 | 369,820. | 369,820. | | | 369,820. |
| 05/03/2009 | 3,674,010. | 3,674,010. | | | 3,674,010. |
| 05/02/2010 | 10,170,177. | 10,170,177. | | | 10,170,177. |
| 05/01/2011 | 890,017. | 890,017. | | | 890,017. |
| 06/06/2011 | | | | | |
| TOTAL | 59,176,516. | 50,322,315. | | | 25,986,207. |

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=====LINE 29A - NOL CARRYOVERS TO NEXT YEAR
=====SIZZLER USA ACQUISITION
-----NON-SRLY CARRYOVER 2,656,889.
-----TOTAL 2,656,889.
-----US HOLDCO, INC.
-----SECTION 382 NOL CARRYOVER 25,986,207.
-----TOTAL 25,986,207.
-----TOTAL LINE 29A - CURRENT YEAR UTILIZATION NONE
=====

| | | | |
|----------|------------------------------------|-------------|----------------------------------|
| COMBINED | SIZZLER ELIMINATIONS COMPANY | ADJUSTMENTS | SIZZLER USA ACQUISITION, INC. |
|----------|------------------------------------|-------------|----------------------------------|

Consolidated Schedules**Sch. L - Beginning**

| Assets | | | | |
|---|---|--------------|--|--------------|
| 1 | Cash | 351,511. | | 351,511. |
| 2 a | Trade Notes and A/R | 1,128,355. | | 1,128,355. |
| b | Less allowance for Bad Debts | | | |
| 3 | Inventories | 115,583. | | 115,583. |
| 4 | US Government Obligations | | | |
| 5 | Tax-exempt Securities | | | |
| 6 | Other Current Assets | 414,658. | | 414,658. |
| 7 | Loans to Stockholders | | | |
| 8 | Mtge and Real Estate Loans | | | |
| 9 | Other Investments | | | |
| 10 a | Buildings and Other Depreciable Assets | 13,765,614. | | 13,765,614. |
| b | Less Accum. Depreciation | 11,787,382. | | 11,787,382. |
| 11 a | Depletable Assets | | | |
| b | Less Accum. Depletion | | | |
| 12 | Land (net of any Amortization) | 435,785. | | 435,785. |
| 13 a | Intangible Assets | 14,623,978. | | 14,623,978. |
| b | Less Accum. Amortization | 10,645,436. | | 10,645,436. |
| 14 | Other Assets | 506,803. | | 506,803. |
| 15 | Total Assets | 8,909,469. | | 8,909,469. |
| Liabilities and Stockholders' Equity | | | | |
| 16 | Accounts Payable | 900,135. | | 900,135. |
| 17 | Mtges, Notes, Bond Payable in less than 1 year | 1,677,002. | | 1,677,002. |
| 18 | Other Current Liabilities | 2,950,228. | | 2,950,228. |
| 19 | Loans from Stockholders | | | |
| 20 | Mtges, Notes, Bonds Payable in 1 year or more | 1,457,042. | | 1,457,042. |
| 21 | Other Liabilities | 7,370,367. | | 7,370,367. |
| 22 a | Capital stock-Preferred | | | |
| b | Capital stock-Common | 1,927,500. | | 1,927,500. |
| 23 | Additional Paid-in Capital | 77,975,491. | | 77,975,491. |
| 24 | Retained earnings-Appropriated | -2,114,814. | | -2,114,814. |
| 25 | Retained earnings-Unappropriated | -82,818,967. | | -82,818,967. |
| 26 | Adjustments to shareholders' equity | -414,515. | | -414,515. |
| 27 | Less cost of Treasury Stock | | | |
| 28 | Total Liabilities and Stockholders' Equity | 8,909,469. | | 8,909,469. |

SIZZLER USA ACQUISITION, INC.

45-2381895

| | SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. |
|--|----------------------------|-----------------|------------------------------|---|-------------------|--------------------------------|------------------------------------|----------------------------------|
| Consolidated Schedules | | | | | | | | |
| Sch. L - Beginning | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 |
| Assets | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 1 Cash | | | 128,003. | -2. | | | | 223,510. |
| 2 a Trade Notes and A/R | 26,086. | | | | | 1,168,474. | -83. | -66,122. |
| b Less allowance for Bad Debts | | | | | | | | |
| 3 Inventories | | | | | | | | 115,583. |
| 4 US Government Obligations | | | | | | | | |
| 5 Tax-exempt Securities | | | | | | | | |
| 6 Other Current Assets | | 7,350. | | 253,513. | | 107,930. | 2,142,646. | -2,096,781. |
| 7 Loans to Stockholders | | | | | | | | |
| 8 Mtge and Real Estate Loans | | | | | | | | |
| 9 Other Investments | | | | | | | | |
| 10 a Buildings and Other Depreciable Assets | | | | 40,878. | | 210,737. | 1,580,251. | 11,933,748. |
| b Less Accum. Depreciation | | | | 40,878. | | 170,942. | 1,537,878. | 10,037,684. |
| 11 a Depletable Assets | | | | | | | | |
| b Less Accum. Depletion | | | | | | | | |
| 12 Land (net of any Amortization) | | | | | | | 435,785. | |
| 13 a Intangible Assets | | | | | | 14,614,223. | | 9,755. |
| b Less Accum. Amortization | | | | | | 10,645,436. | | |
| 14 Other Assets | | | | 270,507. | | NONE | | 236,296. |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 15 Total Assets | 26,086. | 7,350. | 128,003. | 524,018. | | 5,284,986. | 2,620,721. | 318,305. |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| Liabilities and Stockholders' Equity | | | | | | | | |
| 16 Accounts Payable | | | | | | | | 900,135. |
| 17 Mtges, Notes, Bond Payable in less than 1 year | 1,110,000. | | | | | | | 567,002. |
| 18 Other Current Liabilities | -3,057,684. | 328,784,723. | | -319,689,187. | | -43,436,288. | 1,044,870. | 39,303,794. |
| 19 Loans from Stockholders | | | | | | | | |
| 20 Mtges, Notes, Bonds Payable in 1 year or more | 537,500. | | | | | | | 919,542. |
| 21 Other Liabilities | | | | 7,908,478. | | -181,792. | 1,199,549. | -1,555,868. |
| 22 a Capital stock-Preferred | | | | | | | | |
| b Capital stock-Common | 3,895,530. | | | | | | | -1,968,030. |
| 23 Additional Paid-in Capital | -1,917,814. | -443,673,220. | | 278,523,518. | | 24,249,833. | | 220,793,174. |
| 24 Retained earnings-Appropriated | | -1,111,184. | | -1,903,860. | | | -196,816. | 1,097,046. |
| 25 Retained earnings-Unappropriated | -21,446. | 116,007,031. | 22,518. | 35,685,069. | | 24,653,233. | 573,118. | -259,738,490. |
| 26 Adjustments to shareholders' equity | -520,000. | | 105,485. | | | | | |
| 27 Less cost of Treasury Stock | | | | | | | | |
| 28 Total Liabilities and Stockholders' Equity | 26,086. | 7,350. | 128,003. | 524,018. | | 5,284,986. | 2,620,721. | 318,305. |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

| | COMBINED | SIZZLER ELIMINATIONS COMPANY | ADJUSTMENTS | SIZZLER USA ACQUISITION, INC. |
|--|----------|------------------------------------|-------------|----------------------------------|
|--|----------|------------------------------------|-------------|----------------------------------|

Consolidated Schedules**Sch. L - Ending**

| | Assets | | | |
|---|---|--------------|--|--------------|
| 1 | Cash | 801,733. | | 801,733. |
| 2 a | Trade Notes and A/R | 1,120,170. | | 1,120,170. |
| b | Less allowance for Bad Debts | | | |
| 3 | Inventories | 123,949. | | 123,949. |
| 4 | US Government Obligations | | | |
| 5 | Tax-exempt Securities | | | |
| 6 | Other Current Assets | 251,203. | | 251,203. |
| 7 | Loans to Stockholders | | | |
| 8 | Mtge and Real Estate Loans | | | |
| 9 | Other Investments | | | |
| 10 a | Buildings and Other Depreciable Assets | 14,297,222. | | 14,297,222. |
| b | Less Accum. Depreciation | 12,395,177. | | 12,395,177. |
| 11 a | Depletable Assets | | | |
| b | Less Accum. Depletion | | | |
| 12 | Land (net of any Amortization) | 435,785. | | 435,785. |
| 13 a | Intangible Assets | 14,623,978. | | 14,623,978. |
| b | Less Accum. Amortization | 11,177,335. | | 11,177,335. |
| 14 | Other Assets | 447,420. | | 447,420. |
| 15 | Total Assets | 8,528,948. | | 8,528,948. |
| | | | | |
| Liabilities and Stockholders' Equity | | | | |
| 16 | Accounts Payable | 1,337,229. | | 1,337,229. |
| 17 | Mtges, Notes, Bond Payable in less than 1 year | 2,328,002. | | 2,328,002. |
| 18 | Other Current Liabilities | 3,299,891. | | 3,299,891. |
| 19 | Loans from Stockholders | | | |
| 20 | Mtges, Notes, Bonds Payable in 1 year or more | 862,787. | | 862,787. |
| 21 | Other Liabilities | 7,096,155. | | 7,096,155. |
| 22 a | Capital stock-Preferred | | | |
| b | Capital stock-Common | 1,927,500. | | 1,927,500. |
| 23 | Additional Paid-in Capital | 77,975,491. | | 77,975,491. |
| 24 | Retained earnings-Appropriated | -2,461,038. | | -2,461,038. |
| 25 | Retained earnings-Unappropriated | -83,422,554. | | -83,422,554. |
| 26 | Adjustments to Shareholders' Equity | -414,515. | | -414,515. |
| 27 | Less cost of Treasury Stock | | | |
| 28 | Total Liabilities and Stockholders' Equity | 8,528,948. | | 8,528,948. |

SIZZLER USA ACQUISITION, INC.

45-2381895

| | SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. | | |
|--------------------------------------|---|-----------------|------------------------------|---|-------------------|--------------------------------|------------------------------------|----------------------------------|-----------|----|
| Consolidated Schedules | | | | | | | | | | |
| Sch. L - Ending | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 | | |
| Assets | | | | | | | | | | |
| 1 | Cash | | 128,003. | -3. | | | | 673,733. | | |
| 2 a | Trade Notes and A/R | 26,086. | | | | 1,260,730. | -83. | -166,563. | | |
| b | Less allowance for Bad Debts | | | | | | | | | |
| 3 | Inventories | | | | | | | 123,949. | | |
| 4 | US Government Obligations | | | | | | | | | |
| 5 | Tax-exempt Securities | | | | | | | | | |
| 6 | Other Current Assets | 7,350. | | 253,513. | | 108,842. | 2,055,508. | -2,174,010. | | |
| 7 | Loans to Stockholders | | | | | | | | | |
| 8 | Mtge and Real Estate Loans | | | | | | | | | |
| 9 | Other Investments | | | | | | | | | |
| 10 a | Buildings and Other Depreciable Assets | | | 40,878. | | 210,737. | 1,580,251. | 12,465,356. | | |
| b | Less Accum. Depreciation | | | 40,878. | | 173,545. | 1,568,981. | 10,611,773. | | |
| 11 a | Depletable Assets | | | | | | | | | |
| b | Less Accum. Depletion | | | | | | | | | |
| 12 | Land (net of any Amortization) | | | | | | 435,785. | | | |
| 13 a | Intangible Assets | | | | | 14,614,223. | | 9,755. | | |
| b | Less Accum. Amortization | | | | | 11,177,335. | | | | |
| 14 | Other Assets | | | 270,507. | | NONE | | 176,913. | | |
| | | | | | | | | | | |
| 15 | Total Assets | 26,086. | 7,350. | 128,003. | 524,017. | 4,843,652. | 2,502,480. | 497,360. | | |
| | | | | | | | | | | |
| Liabilities and Stockholders' Equity | | | | | | | | | | |
| 16 | Accounts Payable | | | | | | | 1,337,229. | | |
| 17 | Mtges, Notes, Bond Payable in less than 1 year | 1,110,000. | | | | | | 1,218,002. | | |
| 18 | Other Current Liabilities | -3,057,684. | 328,784,723. | -319,223,486. | | -49,393,540. | 958,080. | 45,231,798. | | |
| 19 | Loans from Stockholders | | | | | | | | | |
| 20 | Mtges, Notes, Bonds Payable in 1 year or more | 537,500. | | | | | | 325,287. | | |
| 21 | Other Liabilities | | | 7,789,308. | | -181,792. | 1,279,593. | -1,790,954. | | |
| 22 a | Capital stock-Preferred | | | | | | | | | |
| b | Capital stock-Common | 3,895,530. | | | | | | -1,968,030. | | |
| 23 | Additional Paid-in Capital | -1,917,814. | -443,673,220. | 278,523,518. | | 24,249,833. | | 220,793,174. | | |
| 24 | Retained earnings-Appropriated | | -1,111,184. | -2,250,084. | | | -196,816. | 1,097,046. | | |
| 25 | Retained earnings-Unappropriated | -21,446. | 116,007,031. | 22,518. | 35,684,761. | 30,169,151. | 461,623. | -265,746,192. | | |
| 26 | Adjustments to Shareholders' Equity | -520,000. | | 105,485. | | | | | | |
| 27 | Less cost of Treasury Stock | | | | | | | | | |
| 28 | Total Liabilities and Stockholders' Equity | 26,086. | 7,350. | 128,003. | 524,017. | 4,843,652. | 2,502,480. | 497,360. | | |
| | | | | | | | | | | |
| JSA 8C9095 1.000 | 7889EB | R36C | 02/07/2020 | 22:15:21 | V18-7.11 | 169 | 45-2381895 | 112 | STATEMENT | 18 |

FORM 1120 PAGE 6 DETAIL, SCH. L

| | BEGINNING | ENDING |
|-------------------------------------|-------------|-------------|
| ----- | ----- | ----- |
| LINE 6 - OTHER CURRENT ASSETS | | |
| ===== | | |
| US HOLDCO, INC. | | |
| ----- | | |
| INCOME TAX RECEIVABLE | 7,350. | 7,350. |
| | ----- | ----- |
| SUBTOTAL | 7,350. | 7,350. |
| | ----- | ----- |
| WORLDWIDE RESTAURANT CONCEPTS, INC. | | |
| ----- | | |
| PREPAID EXPENSE | 430,178. | 430,178. |
| OTHER CURRENT ASSETS | 164,932. | 164,932. |
| INCOME TAX RECEIVABLE | -341,597. | -341,597. |
| | ----- | ----- |
| SUBTOTAL | 253,513. | 253,513. |
| | ----- | ----- |
| SIZZLER USA FRANCHISE, INC. | | |
| ----- | | |
| OTHER CURRENT ASSETS | 5,516. | 6,428. |
| INCOME TAX RECEIVABLE | 102,414. | 102,414. |
| | ----- | ----- |
| SUBTOTAL | 107,930. | 108,842. |
| | ----- | ----- |
| SIZZLER USA REAL PROPERTY, INC. | | |
| ----- | | |
| OTHER CURRENT ASSETS | 2,228,244. | 2,196,381. |
| INCOME TAX RECEIVABLE | -235. | -235. |
| PREPAID EXPENSE | -85,363. | -140,638. |
| | ----- | ----- |
| SUBTOTAL | 2,142,646. | 2,055,508. |
| | ----- | ----- |
| SIZZLER USA RESTAURANTS, INC. | | |
| ----- | | |
| PREPAID EXPENSE | 146,431. | 203,123. |
| OTHER CURRENT ASSETS | -2,486,910. | -2,616,931. |
| INCOME TAX RECEIVABLE | 243,698. | 239,798. |
| | ----- | ----- |
| SUBTOTAL | -2,096,781. | -2,174,010. |
| | ----- | ----- |
| TOTAL LINE 6 - OTHER CURRENT ASSETS | 414,658. | 251,203. |
| | ===== | ===== |

FORM 1120 PAGE 6 DETAIL, SCH. L

=====

| | BEGINNING | ENDING |
|-------------------------------------|-----------|-----------|
| | ----- | ----- |
| LINE 14 - OTHER ASSETS | | |
| ===== | | |
| WORLDWIDE RESTAURANT CONCEPTS, INC. | | |
| ----- | | |
| SECURITY DEPOSITS | 270,507. | 270,507. |
| | ----- | ----- |
| SUBTOTAL | 270,507. | 270,507. |
| | ----- | ----- |
| SIZZLER USA FRANCHISE, INC. | | |
| ----- | | |
| NOTES RECEIVABLE | 89,154. | 89,154. |
| NON CURRENT ALLOWANCE FOR DOUBTFUL | -89,154. | -89,154. |
| | ----- | ----- |
| SUBTOTAL | NONE | NONE |
| | ----- | ----- |
| SIZZLER USA RESTAURANTS, INC. | | |
| ----- | | |
| CONSTRUCTION IN PROGRESS | 61,804. | 16,421. |
| SECURITY DEPOSITS | -164,237. | -178,237. |
| NOTES RECEIVABLE | 249,575. | 249,575. |
| NON CURRENT ALLOWANCE FOR DOUBTFUL | 89,154. | 89,154. |
| | ----- | ----- |
| SUBTOTAL | 236,296. | 176,913. |
| | ----- | ----- |
| TOTAL LINE 14 - OTHER ASSETS | 506,803. | 447,420. |
| | ===== | ===== |

FORM 1120 PAGE 6 DETAIL, SCH. L

| | BEGINNING | ENDING |
|-------------------------------------|---------------|---------------|
| ----- | ----- | ----- |
| LINE 18 - OTHER CURRENT LIABILITIES | | |
| ===== | | |
| SIZZLER USA ACQUISITION | | |
| ----- | | |
| INTERCOMP. RECEIVABLE/PAYABLE | -3,057,684. | -3,057,684. |
| | ----- | ----- |
| SUBTOTAL | -3,057,684. | -3,057,684. |
| | ----- | ----- |
| US HOLDCO, INC. | | |
| ----- | | |
| INTERCOMP. RECEIVABLE/PAYABLE | 328,784,723. | 328,784,723. |
| | ----- | ----- |
| SUBTOTAL | 328,784,723. | 328,784,723. |
| | ----- | ----- |
| WORLDWIDE RESTAURANT CONCEPTS, INC. | | |
| ----- | | |
| ACCRUED PAYROLL | 408,154. | 408,154. |
| INSURANCE PAYABLE | -130,850. | -130,850. |
| CURRENT PORTION OF PENSION LIABILIT | 846,852. | 821,000. |
| FOREIGN INCOME TAX PAYABLE | -82. | -82. |
| ACCRUED LEGAL & PROFESSIONAL | -921,829. | -921,829. |
| INTERCOMP. RECEIVABLE/PAYABLE | -319,876,721. | -319,385,168. |
| ACCRUED INTEREST | -14,711. | -14,711. |
| | ----- | ----- |
| SUBTOTAL | -319,689,187. | -319,223,486. |
| | ----- | ----- |
| SIZZLER USA FRANCHISE, INC. | | |
| ----- | | |
| OTHER ACCRUED | 81,225. | 79,683. |
| ACCRUED RENT | -1,615. | -1,615. |
| INSURANCE PAYABLE | 10,837. | 10,837. |
| ACCRUED LEGAL & PROFESSIONAL | -101,806. | -102,159. |
| ACCRUED BONUSES | -2,964. | -2,964. |
| OTHER CURRENT LIABILITIES | -10. | -10. |
| INTERCOMP. RECEIVABLE/PAYABLE | -43,421,955. | -49,377,312. |
| | ----- | ----- |
| SUBTOTAL | -43,436,288. | -49,393,540. |
| | ----- | ----- |
| SIZZLER USA REAL PROPERTY, INC. | | |
| ----- | | |
| ACCRUED RENT | 146,474. | 226,533. |
| REAL ESTATE TAXES | 433,280. | 481,633. |
| OTHER CURRENT LIABILITIES | 145,540. | 145,540. |

CONTINUED ON NEXT PAGE

STATEMENT 21

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FORM 1120 PAGE 6 DETAIL, SCH. L

| | BEGINNING | ENDING |
|--|------------|----------|
| LINE 18 - OTHER CURRENT LIABILITIES (CONT'D) | | |
| INTERCOMP. RECEIVABLE/PAYABLE | 320,223. | 175,896. |
| OTHER ACCRUED | -647. | -71,522. |
| SUBTOTAL | 1,044,870. | 958,080. |

SIZZLER USA RESTAURANTS, INC.

| | | |
|---|-------------|-------------|
| ACCRUED PAYROLL | -164,604. | -170,440. |
| OTHER ACCRUED | 15,264. | -45,398. |
| ACCRUED RENT | -56,295. | -139,244. |
| INSURANCE PAYABLE | 120,012. | 120,012. |
| ACCRUED INTEREST | 43,877. | 127,524. |
| SALES AND USE TAX PAYABLE | 219,384. | 568,791. |
| REAL ESTATE TAXES | -463,506. | -511,574. |
| FOREIGN INCOME TAX PAYABLE | 82. | 82. |
| ACCRUED LEGAL & PROFESSIONAL | 1,292,391. | 1,239,465. |
| ACCRUED BONUSES | 88,754. | 19,794. |
| ACCRUED VACATION | 355,139. | 412,661. |
| OTHER CURRENT LIABILITIES | -145,530. | -148,379. |
| INTERCOMP. RECEIVABLE/PAYABLE | 37,757,636. | 43,356,411. |
| OTHER PAYABLES | 210,816. | 199,273. |
| DEFERRED REVENUE - CURRENT | 30,374. | 202,820. |
| DEFERRED RENT - CURRENT | NONE | |
| SUBTOTAL | 39,303,794. | 45,231,798. |
| TOTAL LINE 18 - OTHER CURRENT LIABILITIES | 2,950,228. | 3,299,891. |

LINE 20 - MORTGAGES, NOTES, BONDS PAYABLE IN 1 YEAR OR MORE

SIZZLER USA ACQUISITION

| | | |
|--|----------|----------|
| MORTGAGES, NOTES, BONDS PAYABLE IN 1 YEAR OR MORE | 537,500. | 537,500. |
| SUBTOTAL | 537,500. | 537,500. |

SIZZLER USA RESTAURANTS, INC.

| | | |
|--|----------|----------|
| MORTGAGES, NOTES, BONDS PAYABLE IN 1 YEAR OR MORE | 919,542. | 325,287. |
|--|----------|----------|

CONTINUED ON NEXT PAGE

STATEMENT 22

FORM 1120 PAGE 6 DETAIL, SCH. L

| | BEGINNING | ENDING |
|--|-------------|-------------|
| LINE 20 - MORTGAGES, NOTES, BONDS PAYABLE IN 1 YEAR OR MORE (CONT'D) | | |
| SUBTOTAL | 919,542. | 325,287. |
| TOTAL LINE 20 - MORTGAGES, NOTES BONDS PAYABLE IN 1 YEAR OR MORE | 1,457,042. | 862,787. |
| LINE 21 - OTHER LIABILITIES | | |
| WORLDWIDE RESTAURANT CONCEPTS, INC. | | |
| DEFERRED RENT | -1,279,593. | -1,279,593. |
| PENSION LIABILITY | 9,188,071. | 9,068,901. |
| SUBTOTAL | 7,908,478. | 7,789,308. |
| SIZZLER USA FRANCHISE, INC. | | |
| OTHER DEFERRED REVENUE | 31,250. | 31,250. |
| DEFERRED RENT | -213,042. | -213,042. |
| SUBTOTAL | -181,792. | -181,792. |
| SIZZLER USA REAL PROPERTY, INC. | | |
| DEFERRED RENT | 1,199,549. | 1,279,593. |
| SUBTOTAL | 1,199,549. | 1,279,593. |
| SIZZLER USA RESTAURANTS, INC. | | |
| OTHER DEFERRED REVENUE | 6,250. | -174,750. |
| DEFERRED RENT | 642,623. | 588,537. |
| PENSION LIABILITY | -2,204,741. | -2,204,741. |
| SUBTOTAL | -1,555,868. | -1,790,954. |
| TOTAL LINE 21 - OTHER LIABILITIES | 7,370,367. | 7,096,155. |

FORM 1120 PAGE 6 DETAIL, SCH. L

| | BEGINNING | ENDING |
|---|-------------|-------------|
| | ----- | ----- |
| LINE 24 - APPROPR. RETAINED EARNINGS | | |
| ===== | | |
| US HOLDCO, INC. | | |
| ----- | | |
| RETAINED EARNINGS: APPROPRIATED | -1,111,184. | -1,111,184. |
| | ----- | ----- |
| SUBTOTAL | -1,111,184. | -1,111,184. |
| | ----- | ----- |
| WORLDWIDE RESTAURANT CONCEPTS, INC. | | |
| ----- | | |
| RETAINED EARNINGS: APPROPRIATED | -1,903,860. | -2,250,084. |
| | ----- | ----- |
| SUBTOTAL | -1,903,860. | -2,250,084. |
| | ----- | ----- |
| SIZZLER USA REAL PROPERTY, INC. | | |
| ----- | | |
| APPROPRIATED RETAINED EARNINGS | -196,816. | -196,816. |
| | ----- | ----- |
| SUBTOTAL | -196,816. | -196,816. |
| | ----- | ----- |
| SIZZLER USA RESTAURANTS, INC. | | |
| ----- | | |
| RETAINED EARNINGS: APPROPRIATED | 1,097,046. | 1,097,046. |
| | ----- | ----- |
| SUBTOTAL | 1,097,046. | 1,097,046. |
| | ----- | ----- |
| TOTAL LINE 24 - APPROPRIATED RE | -2,114,814. | -2,461,038. |
| | ===== | ===== |
| LINE 26 - ADJUSTMENTS TO SHAREHOLDERS' EQUITY | | |
| ===== | | |
| SIZZLER USA ACQUISITION | | |
| ----- | | |
| 3805 OTHER COMPREHENSIVE INC | -520,000. | -520,000. |
| | ----- | ----- |
| SUBTOTAL | -520,000. | -520,000. |
| | ----- | ----- |

CONTINUED ON NEXT PAGE

STATEMENT 24

FORM 1120 PAGE 6 DETAIL, SCH. L

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=====
                                BEGINNING      ENDING
                                -----      -----
LINE 26 - ADJUSTMENTS TO SHAREHOLDERS' EQUITY (CONT'D)
=====

SIZZLER USA FINANCE, INC.
-----
    MINORITY INTEREST                      105,485.      105,485.
                                -----      -----
    SUBTOTAL                             105,485.      105,485.
                                -----      -----

    TOTAL LINE 26 - ADJUSTMENTS TO
    SHAREHOLDERS' EQUITY                  -414,515.      -414,515.
                                =====      =====
```

COMBINED SIZZLER ADJUSTMENTS SIZZLER USA
ELIMINATIONS COMPANY ACQUISITION, INC.

Consolidated Schedules
Sch. M1 and M-2 Summary
Schedule M-1

- 1 Net income per books
- 2 Federal Income Tax
- 3 Excess Capital Losses
- 4 Income Subject to Tax not on Books
- 5 Expenses Recorded on Books
 - not Deducted on Return
 - a Depreciation
 - b Charitable Contributions
 - c Travel and Entertainment
 - Other
- 6 Total Lines 1-5
- 7 Income Recorded on Books
 - not Included on Return
 - a Tax-exempt Interest
 - Other
- 8 Deductions on Return not on Books
 - a Depreciation
 - b Charitable Contributions
 - Other
- 9 Total Lines 7 and 8
- 10 Income (Line 28, Page 1)

| Schedule M-2 | | | | |
|--------------|------------------------------|--------------|--|--------------|
| 1 | Balance at beginning of year | -82,818,967. | | -82,818,967. |
| 2 | Net Income per Books | -607,565. | | -607,565. |
| 3 | Other Increases | 3,978. | | 3,978. |
| ----- | | | | |
| 4 | Total Line 1-3 | -83,422,554. | | -83,422,554. |
| 5 | Distributions | | | |
| | a Cash | | | |
| | b Stock | | | |
| | c Property | | | |
| 6 | Other Decreases | | | |
| ----- | | | | |
| 7 | Total lines 5 and 6 | | | |
| ----- | | | | |
| 8 | Balance at end of year | -83,422,554. | | -83,422,554. |

| | SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. |
|-------------------------|----------------------------|-----------------|------------------------------|---|-------------------|--------------------------------|------------------------------------|----------------------------------|
| Consolidated Schedules | | | | | | | | |
| Sch. M1 and M-2 Summary | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 |

- Schedule M-1
- 1 Net income per books
 - 2 Federal Income Tax
 - 3 Excess Capital Losses
 - 4 Income Subject to Tax not on Books
 - 5 Expenses Recorded on Books
 - not Deducted on Return
 - a Depreciation
 - b Charitable Contributions
 - c Travel and Entertainment
 - Other
 - 6 Total Lines 1-5
 - 7 Income Recorded on Books
 - not Included on Return
 - a Tax-exempt Interest
 - Other
 - 8 Deductions on Return not on Books
 - a Depreciation
 - b Charitable Contributions
 - Other
 - 9 Total Lines 7 and 8
 - 10 Income (Line 28, Page 1)

| | | | | | | | | |
|---|----------|--------------|---------|-------------|--|-------------|-----------|---------------|
| Schedule M-2 | | | | | | | | |
| 1 Balance at beginning of year | -21,446. | 116,007,031. | 22,518. | 35,685,069. | | 24,653,233. | 573,118. | -259,738,490. |
| 2 Net Income per Books | | | | -308. | | 5,515,918. | -111,495. | -6,011,680. |
| 3 Other Increases | | | | | | | | 3,978. |
| 4 Total Line 1-3 | -21,446. | 116,007,031. | 22,518. | 35,684,761. | | 30,169,151. | 461,623. | -265,746,192. |
| 5 Distributions <ul style="list-style-type: none">a Cashb Stockc Property | | | | | | | | |
| 6 Other Decreases | | | | | | | | |
| 7 Total lines 5 and 6 | | | | | | | | |
| 8 Balance at end of year | -21,446. | 116,007,031. | 22,518. | 35,684,761. | | 30,169,151. | 461,623. | -265,746,192. |

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SCH. M-2, LINE 3 - OTHER INCREASES

SIZZLER USA RESTAURANTS, INC.

PRIOR PERIOD ADJUSTMENT

3,978.

SUBTOTAL

3,978.

TOTAL SCH. M-2, LINE 3 - OTHER INCREASES

3,978.

SCHEDULE M-3, PART I DETAIL

=====

LINE 6A - NET INCOME FROM NONINCLUDIBLE U.S. ENTITIES

| NAME | EIN | NET INCOME | TOTAL ASSETS | TOTAL LIABILITIES | NET AMOUNTS |
|------------------|------------|------------|--------------|----------------------|-------------|
| ----- | | | | | |
| CARSON SIZZ, LLC | 47-1068282 | 72,430. | 789,913. | -223,657. | 1,013,570. |
| | | ----- | ----- | ----- | ----- |
| TOTAL | | 72,430. | 789,913. | -223,657. | 1,013,570. |
| | | ===== | ===== | ===== | ===== |

COMBINED

SIZZLER ELIMINATIONS COMPANY

Consolidated Schedules

Schedule M-3, Part II

| | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN |
|-----|---|--------------|-----------|----------------|--------------|-----------|-----------|----------------|
| 1 | Income (loss) from equity method foreign corp. | | | | | | | |
| 2 | Gross foreign dividends not previously taxed | | | | | | | |
| 3 | Subpart F, QEF, and similar income inclusions | | | | | | | |
| 4 | Gross-up for foreign taxes deemed paid | | | | | | | |
| 5 | Gross foreign distrib. previously taxed | | | | | | | |
| 6 | Income (loss) from equity method U.S. corp. | | | | | | | |
| 7 | U.S. dividends not eliminated in tax consolidation | | | | | | | |
| 8 | Minority interest for includible corp. | | | | | | | |
| 9 | Income (loss) from U.S. partnerships | | | | | | | |
| 10 | Income (loss) from foreign partnerships | | | | | | | |
| 11 | Income (loss) from other pass-through entities | | | | | | | |
| 12 | Items relating to reportable transactions | | | | | | | |
| 13 | Interest income | | | | | | | |
| 14 | Total accrual to cash adjustment | | | | | | | |
| 15 | Hedging transactions | | | | | | | |
| 16 | Mark-to-market income (loss) | | | | | | | |
| 17 | Cost of goods sold | 17,669,358. | | 17,669,358. | | | | |
| 18 | Sales versus lease | | | | | | | |
| 19 | Section 481(a) adjustments | | | | | | | |
| 20 | Unearned/deferred revenue | | | | | | | |
| 21 | Income recognition from long-term contracts | | | | | | | |
| 22 | Original issue discount/imputed interest | | | | | | | |
| 23a | Income statement gain/loss on sale, exchange, or abandonment | -8,955. | 8,955. | | | | | |
| 23b | Gross cap. gains from Sch. D, excluding amount from pass-through entities | | | | | | | |
| 23c | Gross cap. losses from Sch. D, exc. pass-through ent., abandonment, worthless stock | | | | | | | |
| 23d | Net gain/loss reported on Form 4797 | | -22,297. | -22,297. | | | | |
| 23e | Abandonment losses | | | | | | | |
| 23f | Worthless stock losses | | | | | | | |
| 23g | Other gain/loss on disposition of assets other than inventory | | | | | | | |
| 24 | Capital loss limitation and carryforward used | | | | | | | |
| 25 | Other income (loss) items with differences | | 56,764. | 56,764. | | | | |
| 26 | Total income (loss) items | -17,678,313. | 56,764. | -13,342. | -17,634,891. | | | |
| 27 | Total expense/deduction items | -13,083,352. | -624,970. | 665,204. | -13,043,118. | | | |
| 28 | Other items with no differences | 30,154,100. | | | 30,154,100. | | | |
| 29a | 1120 subgroup reconciliation totals | -607,565. | -568,206. | 651,862. | -523,909. | | | |
| 29b | PC insurance subgroup reconciliation totals | | | | | | | |
| 29c | Life insurance subgroup reconciliation totals | | | | | | | |
| 30 | Reconciliation totals | -607,565. | -568,206. | 651,862. | -523,909. | | | |

ADJUSTMENTS

SIZZLER USA ACQUISITION, INC.

Consolidated Schedules

Schedule M-3, Part II

| | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN |
|-----|---|-----------|-----------|----------------|--------------|-----------|-----------|----------------|
| 1 | Income (loss) from equity method foreign corp. | | | | | | | |
| 2 | Gross foreign dividends not previously taxed | | | | | | | |
| 3 | Subpart F, QEF, and similar income inclusions | | | | | | | |
| 4 | Gross-up for foreign taxes deemed paid | | | | | | | |
| 5 | Gross foreign distrib. previously taxed | | | | | | | |
| 6 | Income (loss) from equity method U.S. corp. | | | | | | | |
| 7 | U.S. dividends not eliminated in tax consolidation | | | | | | | |
| 8 | Minority interest for includible corp. | | | | | | | |
| 9 | Income (loss) from U.S. partnerships | | | | | | | |
| 10 | Income (loss) from foreign partnerships | | | | | | | |
| 11 | Income (loss) from other pass-through entities | | | | | | | |
| 12 | Items relating to reportable transactions | | | | | | | |
| 13 | Interest income | | | | | | | |
| 14 | Total accrual to cash adjustment | | | | | | | |
| 15 | Hedging transactions | | | | | | | |
| 16 | Mark-to-market income (loss) | | | | | | | |
| 17 | Cost of goods sold | | | | 17,669,358. | | | 17,669,358. |
| 18 | Sales versus lease | | | | | | | |
| 19 | Section 481(a) adjustments | | | | | | | |
| 20 | Unearned/deferred revenue | | | | | | | |
| 21 | Income recognition from long-term contracts | | | | | | | |
| 22 | Original issue discount/imputed interest | | | | | | | |
| 23a | Income statement gain/loss on sale, exchange, or abandonment | | | | -8,955. | | 8,955. | |
| 23b | Gross cap. gains from Sch. D, excluding amount from pass-through entities | | | | | | | |
| 23c | Gross cap. losses from Sch. D, exc. pass-through ent., abandonment, worthless stock | | | | | | | |
| 23d | Net gain/loss reported on Form 4797 | | | | | | -22,297. | -22,297. |
| 23e | Abandonment losses | | | | | | | |
| 23f | Worthless stock losses | | | | | | | |
| 23g | Other gain/loss on disposition of assets other than inventory | | | | | | | |
| 24 | Capital loss limitation and carryforward used | | | | | | | |
| 25 | Other income (loss) items with differences | | | | | 56,764. | | 56,764. |
| 26 | Total income (loss) items | | | | -17,678,313. | 56,764. | -13,342. | -17,634,891. |
| 27 | Total expense/deduction items | | 6,463. | 6,463. | -13,083,352. | -624,970. | 671,667. | -13,036,655. |
| 28 | Other items with no differences | | | | 30,154,100. | | | 30,154,100. |
| 29a | 1120 subgroup reconciliation totals | | 6,463. | 6,463. | -607,565. | -568,206. | 658,325. | -517,446. |
| 29b | PC insurance subgroup reconciliation totals | | | | | | | |
| 29c | Life insurance subgroup reconciliation totals | | | | | | | |
| 30 | Reconciliation totals | | 6,463. | 6,463. | -607,565. | -568,206. | 658,325. | -517,446. |

SCHEDULE M-3, PART II DETAIL

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LINE 25 - OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

| DESCRIPTION | INCOME (LOSS) PER INCOME STMT | TEMPORARY DIFFERENCE | PERMANENT DIFFERENCE | INCOME (LOSS) PER TAX RETURN |
|-------------------------------|----------------------------------|-------------------------|-------------------------|---------------------------------|
| ----- | | | | |
| SIZZLER USA RESTAURANTS, INC. | | | | |
| ----- | | | | |
| GIFT CERTIFICATES | | -5,865. | | -5,865. |
| ACCRUED VACATION | | 62,629. | | 62,629. |
| | ----- | ----- | ----- | ----- |
| SUBTOTAL | | 56,764. | | 56,764. |
| | ----- | ----- | ----- | ----- |
| TOTAL | | 56,764. | | 56,764. |
| | ===== | ===== | ===== | ===== |

SCHEDULE M-3, PART II DETAIL

=====

LINE 28 - OTHER ITEMS WITH NO DIFFERENCES

WORLDWIDE RESTAURANT CONCEPTS, INC.

4010 SALES - FOOD (MAIN) -308.

SUBTOTAL -308.

SIZZLER USA FRANCHISE, INC.

OTHER ITEMS WITH NO DIFFERENCES 6,582,838.

SUBTOTAL 6,582,838.

SIZZLER USA REAL PROPERTY, INC.

OTHER ITEMS WITH NO DIFFERENCES 46,591.

SUBTOTAL 46,591.

SIZZLER USA RESTAURANTS, INC.

OTHER ITEMS WITH NO DIFFERENCES 23,999,984.

6122 ADP FEES -140,212.

4014 ALCOHOL SALES 494,021.

6605 MISC OPERATING EXPENSE -20,737.

7045 STORAGE COSTS -784,411.

6151 OTHER BENEFIT-LIFE INSU -23,666.

SUBTOTAL 23,524,979.

TOTAL 30,154,100.

=====

| COMBINED | | | | | SIZZLER ELIMINATIONS COMPANY | | | | |
|---|--------------|-----------|------------|----------------|------------------------------|------------|-----------|----------------|----|
| Consolidated Schedules | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN | |
| Schedule M-3, Part III | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | |
| 1 U.S. current income tax exp. | 254,503. | | -254,503. | | | | | | |
| 2 U.S. deferred income tax exp. | | | | | | | | | |
| 3 State and local current income tax exp. | 20,000. | 5,107. | | 25,107. | | | | | |
| 4 State and local deferred income tax exp. | | | | | | | | | |
| 5 Foreign current income tax exp. | | | | | | | | | |
| 6 Foreign deferred income tax exp. | | | | | | | | | |
| 7 Foreign withholding taxes | | | | | | | | | |
| 8 Interest expense | 157,646. | | | 157,646. | | | | | |
| 9 Stock option expense | | | | | | | | | |
| 10 Other equity-based compensation | | | | | | | | | |
| 11 Meals and entertainment | 78,873. | | -39,437. | 39,436. | | | | | |
| 12 Fines and penalties | | | | | | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | | | | | | |
| 14 Parachute payments | | | | | | | | | |
| 15 Compensation with sect. 162(m) limitation | | | | | | | | | |
| 16 Pension and profit-sharing | | | | | | | | | |
| 17 Other post-retirement benefits | 371,264. | 862,510. | -371,264. | 862,510. | | | | | |
| 18 Deferred compensation | | | | | | | | | |
| 19 Charitable contribution - cash/tangibles | 6,463. | | | 6,463. | | | | | |
| 20 Charitable contribution - intangible | | | | | | | | | |
| 21 Charitable contribution limitation/carryforward | | | | | | | | | |
| 22 Domestic production activities deduction | | | | | | | | | |
| 23 Current year acquisition or reorg. investment banking fees | | | | | | | | | |
| 24 Current year acquisition or reorg. legal and accounting fees | | | | | | | | | |
| 25 Current year acquisition/reorg. other costs | | | | | | | | | |
| 26 Amortization/impairment of goodwill | | | | | | | | | |
| 27 Amortization of acquisition and reorg. | | | | | | | | | |
| 28 Other amort. or impairment write-offs | 673,657. | -673,657. | | | | | | | |
| 30 Depletion | | | | | | | | | |
| 31 Depreciation | 461,210. | 567,221. | | 1,028,431. | | | | | |
| 32 Bad debt expense | 318,260. | -187,304. | | 130,956. | | | | | |
| 33 Corporate owned life insurance premiums | | | | | | | | | |
| 34 Purchase versus lease | | | | | | | | | |
| 35 Research and development costs | | | | | | | | | |
| 36 Section 118 exclusion | | | | | | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | | | | | | |
| 38 Other expense/ded. items with differ. | 10,741,476. | 51,093. | | 10,792,569. | | | | | |
| 39 Total expense/deduction items | 13,083,352. | 624,970. | -665,204. | 13,043,118. | | | | | |
| JSA 8C8044 3.000 | 7889EB | R36C | 02/07/2020 | 22:15:21 | V18-7.11 | 45-2381895 | 128 | STATEMENT | 34 |

| ADJUSTMENTS | | | | | SIZZLER USA ACQUISITION, INC. | | | |
|---|--------------|-----------|-----------|----------------|-------------------------------|-----------|-----------|----------------|
| Consolidated Schedules | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN | PER INC STMT | TEMPORARY | PERMANENT | PER TAX RETURN |
| Schedule M-3, Part III | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 1 U.S. current income tax exp. | | | | | 254,503. | | -254,503. | |
| 2 U.S. deferred income tax exp. | | | | | | | | |
| 3 State and local current income tax exp. | | | | | 20,000. | 5,107. | | 25,107. |
| 4 State and local deferred income tax exp. | | | | | | | | |
| 5 Foreign current income tax exp. | | | | | | | | |
| 6 Foreign deferred income tax exp. | | | | | | | | |
| 7 Foreign withholding taxes | | | | | | | | |
| 8 Interest expense | | | | | 157,646. | | | 157,646. |
| 9 Stock option expense | | | | | | | | |
| 10 Other equity-based compensation | | | | | | | | |
| 11 Meals and entertainment | | | | | 78,873. | | -39,437. | 39,436. |
| 12 Fines and penalties | | | | | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | | | | | |
| 14 Parachute payments | | | | | | | | |
| 15 Compensation with sect. 162(m) limitation | | | | | | | | |
| 16 Pension and profit-sharing | | | | | | | | |
| 17 Other post-retirement benefits | | | | | 371,264. | 862,510. | -371,264. | 862,510. |
| 18 Deferred compensation | | | | | | | | |
| 19 Charitable contribution - cash/tangibles | | | | | 6,463. | | | 6,463. |
| 20 Charitable contribution - intangible | | | | | | | | |
| 21 Charitable contribution limitation/carryforward | | | -6,463. | -6,463. | | | -6,463. | -6,463. |
| 22 Domestic production activities deduction | | | | | | | | |
| 23 Current year acquisition or reorg. investment banking fees | | | | | | | | |
| 24 Current year acquisition or reorg. legal and accounting fees | | | | | | | | |
| 25 Current year acquisition/reorg. other costs | | | | | | | | |
| 26 Amortization/impairment of goodwill | | | | | | | | |
| 27 Amortization of acquisition and reorg. | | | | | | | | |
| 28 Other amort. or impairment write-offs | | | | | 673,657. | -673,657. | | |
| 30 Depletion | | | | | | | | |
| 31 Depreciation | | | | | 461,210. | 567,221. | | 1,028,431. |
| 32 Bad debt expense | | | | | 318,260. | -187,304. | | 130,956. |
| 33 Corporate owned life insurance premiums | | | | | | | | |
| 34 Purchase versus lease | | | | | | | | |
| 35 Research and development costs | | | | | | | | |
| 36 Section 118 exclusion | | | | | | | | |
| 37 Section 162(r) - FDIC premiums paid by certain large financial institutions (see instructions) | | | | | | | | |
| 38 Other expense/ded. items with differ. | | | | | 10,741,476. | 51,093. | | 10,792,569. |
| 39 Total expense/deduction items | | | -6,463. | -6,463. | 13,083,352. | 624,970. | -671,667. | 13,036,655. |

SCHEDULE M-3, PART III DETAIL

=====

LINE 38 - OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES

| DESCRIPTION | EXPENSE PER INCOME STMT | TEMPORARY DIFFERENCE | PERMANENT DIFFERENCE | DEDUCTION PER TAX RETURN |
|---------------------------------|----------------------------|-------------------------|-------------------------|-----------------------------|
| ----- | | | | |
| SIZZLER USA FRANCHISE, INC. | | | | |
| ----- | | | | |
| 6605 MISC OPERATING EXPENSE | 30,024. | 1,545. | | 31,569. |
| 6150 OTHER EE BENEFITS EXPEN | 1,244. | | | 1,244. |
| | ----- | ----- | ----- | ----- |
| SUBTOTAL | 31,268. | 1,545. | | 32,813. |
| | ----- | ----- | ----- | ----- |
| SIZZLER USA REAL PROPERTY, INC. | | | | |
| ----- | | | | |
| 7045 STORAGE COSTS | 42,979. | -46,404. | | -3,425. |
| | ----- | ----- | ----- | ----- |
| SUBTOTAL | 42,979. | -46,404. | | -3,425. |
| | ----- | ----- | ----- | ----- |
| SIZZLER USA RESTAURANTS, INC. | | | | |
| ----- | | | | |
| 6140 WC INSURANCE | 562,779. | -16,278. | | 546,501. |
| 6605 MISC OPERATING EXPENSE | -104,246. | 35,867. | | -68,379. |
| 7045 STORAGE COSTS | 2,859,159. | 7,403. | | 2,866,562. |
| 6150 OTHER EE BENEFITS EXPEN | 1,153,998. | | | 1,153,998. |
| 6077 SAL. & WAGES-GENERAL MA | 6,195,539. | 68,960. | | 6,264,499. |
| | ----- | ----- | ----- | ----- |
| SUBTOTAL | 10,667,229. | 95,952. | | 10,763,181. |
| | ----- | ----- | ----- | ----- |
| TOTAL | 10,741,476. | 51,093. | | 10,792,569. |
| | ===== | ===== | ===== | ===== |

| | COMBINED | SIZZLER ELIMINATIONS COMPANY | ADJUSTMENTS | SIZZLER USA ACQUISITION, INC |
|-------------------------------|-------------|------------------------------------|-------------|---------------------------------|
| Consolidated Schedules | | | | |
| Cost of Goods Sold | | | | |
| 1 Inventory - beginning | | | 115,583. | 115,583. |
| 2 Purchases | 10,061,495. | | 8,366. | 10,069,861. |
| 3 Cost of Labor | 7,607,863. | | | 7,607,863. |
| 4 Addtl. 263A Costs | | | | |
| 5 Other Costs | | | | |
| 6 Total | 17,669,358. | | 123,949. | 17,793,307. |
| 7 Inventory - Ending | | | 123,949. | 123,949. |
| 8 Cost of Goods Sold | 17,669,358. | | | 17,669,358. |
| | ===== | ===== | ===== | ===== |

| | SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC |
|-------------------------------|----------------------------|-----------------|------------------------------|---|------------------|--------------------------------|------------------------------------|---------------------------------|
| Consolidated Schedules | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 |
| Cost of Goods Sold | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 1 Inventory - beginning | | | | | | | | |
| 2 Purchases | | | | | | | | 10,061,495. |
| 3 Cost of Labor | | | | | | | | 7,607,863. |
| 4 Addtl. 263A Costs | | | | | | | | |
| 5 Other Costs | | | | | | | | |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 6 Total | | | | | | | | 17,669,358. |
| 7 Inventory - Ending | | | | | | | | |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 8 Cost of Goods Sold | | | | | | | | 17,669,358. |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

SIZZLER USA ACQUISITION, INC.

| | | | |
|----------|--------------|-------------|--------------|
| COMBINED | SIZZLER | ADJUSTMENTS | SIZZLER USA |
| | ELIMINATIONS | | ACQUISITION, |
| | COMPANY | | INC. |

Consolidated Schedules - Form 4562

Consolidated 4562 Summary

Part I - Section 179 Expense

- 2 Sec 179 property placed in Service in current year
- 6 Nonlisted property
- 7 Listed property
- 8 Total elected cost
- 9 Tentative deduction
- 10 Carryover from 2016
- 12 Sec 179 expense deduction
- 13 Carryover to 2018

Part II - Other Depreciation

- 14 Special depreciation allowance 526,004.
- 15 Property subject to 168(f)(1)
- 16 ACRS and other depreciation 13,232.

Part III - MACRS

- 17 MACRS deduction - prior years 489,195.
- 19 General Depreciation System
 - a. 3-year property
 - b. 5-year property
 - c. 7-year property
 - d. 10-year property
 - e. 15-year property
 - f. 20-year property
 - g. 25-year property
 - h. 27.5-year residential real
 - i. 39-year nonresidential real
- 20 Alternative Depreciation System
 - a. Class life
 - b. 12-year
 - c. 30-year
 - d. 40-year

Part IV - Summary

- 21 Listed Property
- 22 Total depreciation 1,028,431.
- 42 Amortization - current year
- 43 Amortization - prior year
- 44 Total Amortization

SIZZLER USA ACQUISITION, INC.

| | | | | | | | |
|----------------------------|-----------------|------------------------------|---|----------------------|--------------------------------|---------------------------------------|-------------------------------------|
| SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC. | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. |
|----------------------------|-----------------|------------------------------|---|----------------------|--------------------------------|---------------------------------------|-------------------------------------|

Consolidated Schedules - Form 4562

| | | | | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Consolidated 4562 Summary | 45-2381895 | 98-0457001 | 98-0457004 | 95-4307254 | 95-4632165 | 95-4632167 | 95-4532171 | 95-2548114 |
| Part I - Section 179 Expense | | | | | | | | |
| 2 Sec 179 property placed in | | | | | | | | |
| Service in current year | | | | | | | | |
| 6 Nonlisted property | | | | | | | | |
| 7 Listed property | | | | | | | | |
| 8 Total elected cost | | | | | | | | |
| 9 Tentative deduction | | | | | | | | |
| 10 Carryover from 2016 | | | | | | | | |
| 12 Sec 179 expense deduction | | | | | | | | |
| 13 Carryover to 2018 | | | | | | | | |
| Part II - Other Depreciation | | | | | | | | |
| 14 Special depreciation allowance | | | | | | | | 526,004. |
| 15 Property subject to 168(f)(1) | | | | | | | | |
| 16 ACRS and other depreciation | | | | | | | 13,232. | |
| Part III - MACRS | | | | | | | | |
| 17 MACRS deduction - prior years | | | | | | 3,663. | 3,749. | 481,783. |
| 19 General Depreciation System | | | | | | | | |
| a. 3-year property | | | | | | | | |
| b. 5-year property | | | | | | | | |
| c. 7-year property | | | | | | | | |
| d. 10-year property | | | | | | | | |
| e. 15-year property | | | | | | | | |
| f. 20-year property | | | | | | | | |
| g. 25-year property | | | | | | | | |
| h. 27.5-year residential real | | | | | | | | |
| i. 39-year nonresidential real | | | | | | | | |
| 20 Alternative Depreciation System | | | | | | | | |
| a. Class life | | | | | | | | |
| b. 12-year | | | | | | | | |
| c. 30-year | | | | | | | | |
| d. 40-year | | | | | | | | |
| Part IV - Summary | | | | | | | | |
| 21 Listed Property | | | | | | | | |
| 22 Total depreciation | | | | | | 3,663. | 16,981. | 1,007,787. |
| 42 Amortization - current year | | | | | | | | |
| 43 Amortization - prior year | | | | | | | | |
| 44 Total Amortization | | | | | | | | |

COMBINED SIZZLER
 ELIMINATIONS
 COMPANY SIZZLER USA
 ACQUISITION,
 INC.

Consolidated Schedules
Form 4797

Column (g) Section 1231 Gains/Losses

| | | |
|---------------------------------|----------|----------|
| From Form 4797, line 2 | -22,297. | -22,297. |
| Gain from Form 4684, line 39 | | |
| Gain from Form 6252 | | |
| From Form 8824 | | |
| Gain from Form 4797, line 32 | | |
| Total Section 1231 gain (loss) | -22,297. | -22,297. |
| Nonrecaptured prior year losses | | |
| Net Section 1231 gain | | |

Ordinary Gains and Losses

| | | |
|------------------------------|----------|----------|
| From Form 4797, line 10 | | |
| Section 1231 loss | -22,297. | -22,297. |
| Section 1231 gain | | |
| Gain from Form 4797, line 31 | | |
| From Form 4684 | | |
| From Form 6252 | | |
| From Form 8824 | | |
| Net ordinary gain or (loss) | -22,297. | -22,297. |

SIZZLER USA ACQUISITION, INC.

45-2381895

| | | | | | | | |
|----------------------------|--------------------|-----------------------------|--|----------------------|-----------------------------------|--|-------------------------------------|
| SIZZLER USA ACQUISITION | US HOLDCO, INC. | SIZZLER USA FINANCE, INC | WORLDWIDE RESTAURANT CONCEPTS, INC. | SIZZLER USA, INC. | SIZZLER USA FRANCHISE, INC. | SIZZLER USA REAL PROPERTY, INC. | SIZZLER USA RESTAURANTS, INC. |
|----------------------------|--------------------|-----------------------------|--|----------------------|-----------------------------------|--|-------------------------------------|

Consolidated Schedules
Form 4797

Column (g) Section 1231 Gains/Losses

| | |
|---------------------------------|----------|
| From Form 4797, line 2 | -22,297. |
| Gain from Form 4684, line 39 | |
| Gain from Form 6252 | |
| From Form 8824 | |
| Gain from Form 4797, line 32 | |
| Total Section 1231 gain (loss) | -22,297. |
| Nonrecaptured prior year losses | |
| Net Section 1231 gain | |

Ordinary Gains and Losses

| | |
|------------------------------|----------|
| From Form 4797, line 10 | |
| Section 1231 loss | -22,297. |
| Section 1231 gain | |
| Gain from Form 4797, line 31 | |
| From Form 4684 | |
| From Form 6252 | |
| From Form 8824 | |
| Net ordinary gain or (loss) | -22,297. |

FORM 4797, PAGE 1 DETAIL

SIZZLER USA RESTAURANTS, INC.

=====

LINE 2 - MOST PROPERTY HELD MORE THAN 1 YEAR

=====

| PROPERTY DESCRIPTION | DATE ACQ | DATE SOLD | SALES PRICE | DEPRECIATION | COST OR BASIS | GAIN OR LOSS |
|------------------------------|------------|------------|-------------|--------------|---------------|--------------|
| ----- | | | | | | |
| VARIOUS ASSETS | 10/31/2005 | 04/28/2019 | | 316,475. | 338,772. | -22,297. |
| | | | | | | ----- |
| PART I 4797 GAINS AND LOSSES | | | | | | -22,297. |
| | | | | | | ===== |

BUSINESS INTEREST EXPENSE SUMMARY

=====

| | GROSS INTEREST EXPENSE | RATIO | DEDUCTIBLE INTEREST EXPENSE | DISALLOWED INTEREST EXPENSE |
|---------------------------|------------------------|-------------------|-----------------------------|-----------------------------|
| | ----- | ----- | ----- | ----- |
| ORDINARY | | | | |
| BUSINESS INTEREST EXPENSE | 157,646 | 1.000000000000000 | 157,646 | |
| PASS THROUGH ENTITY | | | | |
| BUSINESS INTEREST EXPENSE | | | | |
| RENTAL | | | | |
| BUSINESS INTEREST EXPENSE | | | | |
| OTHER RENTAL | | | | |
| BUSINESS INTEREST EXPENSE | | | | |
| FARM | | | | |
| BUSINESS INTEREST EXPENSE | | | | |

FORM 7004 - AFFILIATED GROUP MEMBERS

=====

| NAME AND ADDRESS OF EACH MEMBER OF THE GROUP ----- | EMPLOYER ID ----- |
|---|----------------------|
| US HOLDCO, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 98-0457001 |
| SIZZLER USA FINANCE, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 98-0457004 |
| WORLDWIDE RESTAURANT CONCEPTS, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4307254 |
| SIZZLER USA, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4632165 |
| SIZZLER USA FRANCHISE, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4632167 |
| SIZZLER USA REAL PROPERTY, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-4532171 |
| SIZZLER USA RESTAURANTS, INC. 25910 ACERO ROAD, SUITE 350 MISSION VIEJO, CA 92691 | 95-2548114 |

FORM 8916-A, PART I DETAIL

LINE 7 - OTHER ITEMS WITH NO DIFFERENCES

SIZZLER USA RESTAURANTS, INC.

| | | |
|------|------------------|-------------|
| 6085 | MANAGER TRAINING | 17,669,358. |
| | | ----- |
| | SUBTOTAL | 17,669,358. |
| | | ----- |
| | TOTAL | 17,669,358. |
| | | ===== |

FORM 8916-A, PART III DETAIL

=====

LINE 4 - OTHER INTEREST EXPENSE

| DESCRIPTION | PER INCOME STMT | TEMPORARY DIFFERENCE | PERMANENT DIFFERENCE | PER TAX RETURN |
|-------------------------------|-----------------|-------------------------|-------------------------|----------------|
| ----- | | | | |
| SIZZLER USA RESTAURANTS, INC. | | | | |
| ----- | | | | |
| 8010 INTEREST EXPENSE | 157,646. | | | 157,646. |
| | ----- | ----- | ----- | ----- |
| SUBTOTAL | 157,646. | | | 157,646. |
| | ----- | ----- | ----- | ----- |
| TOTAL | 157,646. | | | 157,646. |
| | ===== | ===== | ===== | ===== |